Tuesday June 7 1988

D 8523 A

#### **World News**

#### Singapore frees lawyer rates to to stand in elections

The Singapore Government imposed a one-year detention order on Francis Seow, a former Solicitor General accused of sub-versive contacts with US diplo-mats, but said it would release him from prison to run as a candidate at the next general elec-tion. He was alleged to have sought the promise of asylum in the US if his attempt to become a member of parliament ran into problems, Page 4

#### Shevardnadze to meet Shamir in US

Yitzhak Shamir, the Israeli Pre-mier, will meet Eduard Shevardnadze, Soviet Foreign Minister, in New York during a special UN session on disarmament. Shultz tour, Page 4

#### Holocaust 'pay-out'

East Germany is ready to pay up to \$100m to survivors of the Nazl Holocanst in a reversal of long-standing policy, a Jewish leader said after talks with East German leader Erich Houecker.

China blocks Silkworms The Chinese Foreign Ministry denied a US newspaper report that Chinese-made Silkworm missiles arrived in Iran last month, saying China had tried to stop the flow of the missiles to Iran.

#### Seoul student unrest

A student leader who set himself on fire during an anti-govern-ment, anti-US protest over the weekend died of his injuries, and 148 other students were arrested while attempting to hold a rally near the North Korean border. Hyundai strikes, Page 24

#### Bulgarian reforms

Bulgaria's Communist authorities released plans to reform the state-run arts that would give theatres, film studios and other bodies the right to run their own affairs and finances with interference from the state.

#### Pakistan opposition

Benazir Bhutto, leader of the WALL STREET: The Dow Jones Pakistan Peoples Party, called all industrial average closed down opposition parties to unite and 3.91 at 2.075.21. Page 46 force President Zia ul-Haq to hold TOKYO: The Nikkei average, elections within 90 days. Page 4 elections within 90 days. Page 4

#### Page charges dropped

Page charges dropped
UK police dropped all charges against Allan Page, a defendant in the Alexander Howden fraud case, because Mr Page is ill. Mr Page was arrested on fraud and conspiracy charges, arising from the Howden affair at Lloyd's of London. Page 12

Sandinista peace talks

the first time. The upward trend slackened, however, on profit-taking in late trading and the Nikkeing in late tr

Sandinista Government and Nic- 35 Sandinista Government and runaraguan rebels open new peace
talks today and the US-backed
rebels say they are preparing for
renewed civil war if the meeting (DM3.1000); Ffr10.4625
fails. Each side has accused the (Ffr10.4700); Sfr2.5800
other of repeated violations of a
(Sfr2.5825); Y227.25 (Y226.00). two-month-old truce.

And a straightful to the straigh

THEFT

Aighan clashes

Heavy fighting continued in Afghanistan's north-east province, and up to 100 Soviet soldiers were reported killed in a clash with Mujahideen guertillas, the Agency Afghan Press said. There was no independent confirmation of the report.

#### Soviet church council Russian Orthodox bishops, marking millennium of Christianity, US SENATE approved \$1.1 trilopened their General Church lion hudget for the fiscal year Council, the third such gathering 1989. allowed by the atheist state since

the Second World War. A huildars' strike is delaying gian insurer. work on Barcelona's 1992 Olym-

### **Greens in Turkey**

to be known as Yesiller.

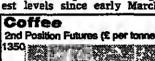
#### **Business Summary**

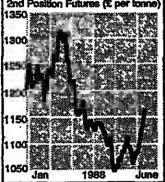
# **UK** raises 8.5% as £ weakens

advantage of sterling's weakness to raise bank base rates by ¼ a percentage point to 8½ per cent, the second rise in less than a week. The move, which had been anticipated by financial markets. was engineered by Bank of England without prompting another surge in sterling. Page 24

TATE & LYLE, UK sugar refiner, is to recoup nearly half of the \$1.48bn it spent to huy Staley Continental, US corn syrup group, hy selling Staley's food services business for \$700m to Sysco, largest US food distributor. Page 25

COFFEE: Fears that a weekend frost had caused heavy damage in Brazil's prime growing regions drove London prices to the high-est levels since early March.





Prices eased later, however, after age had been done and the Lon-don futures market closed £29 up on balance at £1,163.50 a tonne.

MACMILLAN, US publisher, saw its shares rise above the revised takeover offer from Robert Bass, Texas investor, Page 25

LONDON: International blus chips ICI. Glaxo, BAT and Shell again took the market higher, as investors considered the weaker pound to be good news for exporters. The FT-SE 100 index added 13.5 to 1.532.7. Page 42

supported by waning inflation fears in the US, topped 28,000 for the first time. The upward trend

Sandinista peace talks and SFr1.4320 (SFr1.4385). Page

Page 35

will become the country's largest bingo cluh operator after agree-ing to huy Zetters Leisure for

GROUPE AG of Belgium and Assurances Generales de France announced they had taken control of Assubel-Vie, a major Bel-

work on Barcelona's 1992 Olym-ple stadium, which must be ready CSR, large Australian industrial for the World Athletics Champi-group, is to sell its gold mining onships in September next year, and exploration interests in Indonesia, Page 27

REPSOL, state-owned Spanish oil A group of physicians, lawyers, conglomerate due to be part-prigroup of physicians, lawyers

Unit Treats

# Pressure grows for Palme inquiry minister to quit

THE POLITICAL crisis in Swe-demand that Mrs Leijon either support. den deepened last night when resign or be sacked.

vidual savings and loans liquida-

institutions.

**US** regulators will pay

\$1.3bn to depositors

BY NANCY DUNNE IN WASHINGTON, ANATOLE KALETSKY IN NEW YORK AND LOUISE KEHOE IN SAN FRANCISCO

vency, necessitating a series of Loan Bank Board, said cash pay-

rescues. But while the beliquis outs will be rare events for the set records for the cost of an indi-FSLIC, which prefers to arrange

tion, their broader significance ring insured deposits to other was limited by the unusual, and possibly frandulent, activities In this case, the regulators felt

which led to the collapse of both impelled to pay cash "because of institutions. impelled to pay cash because of the uniqueness of both institutions.

The North American Savings tions in that they had no retail and Loan Association and American Diversified Savings Bank franchise value that would have

have been run by regulators for made them marketable." Mr Wall more than a year. Both have said.

suits pending against their officers. The two had paid interest out - \$1.14bn - will go to deposi-

rates well over the average in an tors at American Diversified, an effort to attract large short-term eight-year-old state-chartered depositors and turned the funds thrift, which in 1983 adopted "an

BY ALAN CAME AND TERRY DODSWORTH IN LONDON

at failed S&L groups

US FEDERAL regulators yesterday shit down two moribinid
California savings and loans
institutions and announced plans
to pay out \$1.35hn to insured

Reagan's conservative brand of

The bank was placed under

depositors, the largest payout in Republicanism.

Republicanism.

Republicanism.

Federal regulators in 1986, and the FSLIC filed suit against the Sonthwest are insolvent or officiers and directors to recover industry has been severely beset unprofitable. Mr M Danny Wall, over \$50m in damages. The suit with bad management and insolvent of the Federal Home charged fraud, hreach of duty,

mergers, acquisitions or transfer-

IBM will switch 'thousands' to

line jobs in continuing shake-up

INTERNATIONAL Business continue. "No question about it," working directly with customers Machines will maintain and even he said. "The more decentralised accelerate the momentum of the IBM is the better."

These measures have recently reversed the downward trend in reversed the downward trend in the collection of the base was giving his first.

launched in the face of its profits press conference in the UK, an collapse two years ago, Mr John illustration of the company's new ston in the US computer industry. He expected "thousands" more was in combative form, frestell the company's administrative quently accusing questioners of staff to be transferred into line imprecision, and testily refusing company show a small increase in the use words of the last three quarters. IBM has registered increased profits, helping the staff to be transferred into line imprecision, and testily refusing company show a small increase in the use words out into his in the use of the last three quarters.

jobs, he said in London.

"I think we can have more of mouth. "You have just changed the IBM company's people on the firing line, developing, manufacturing, selling and supporting the product rather than people who chairman, IBM has reduced its remained dissatisfied with the observe these processes," said Mr worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,000 to company's performance, fre-Akers, who became head of the worldwide workforce by 16,

"Mrs Leijon felt enormous

den deepened last night when parties, which between them command a majority in Parliament, said they would press for the removal of Mrs Anna-Greta Leijon, the Justice Minister, because of her handling of the murder inquiry Mr Olof Paime, the former prime minister.

The small Communist Party, on which the ruling Social Democratis rely for their majority in Parliament, yesterday threw its weight behind the opposition in the specifically wanted to give her his full of the Government, Mr She has faced a wave of criticals responsibility to solve the quescism since it was revealed that responsibility to solve the quescism since it was revealed that the script in the February 1986 killing of the Swedish premier.

While Mr Lars Werner, the Communist leader, made it clear that he specifically wanted Mrs by Mrs Leijon was entrusted to Mr Ebbe Carlsson, a leading former justice department official.

negligence and racketeering.

Regulators expect to pay about \$209m to cover insured deposits at North American, a five-year

at North American, a live-year old thrift placed under conservatorship in 1987 because of its insolvency and "nnsafe and unsound practices." It had grown rapidly, aggressively soliciting high-cost jumbo certificates of deposit which were invested in real estate, loan participations and time-sharing invactments.

and time sharing investments.

The Bank Board said it vio-

lated numerons regulations, including conflict of interest

rules. Suit was filed against its officers in an effort to recover Continued on Page 24

These measures have recently reversed the downward trend in

to be presented to British intelli-

This was done behind the country's top convicted spy.
backs of the police involved in She was given the brief of
the official Palme investigation shaking up the Justice Depart. and Sweden's own security services SAPO, who have made no visible progress in solving the

As freelance investigator, he Mrs Leijon's behaviour has was provided with a letter of shocked her own party, and recommendation from Mrs Leijon senior members of the Cabinet to be presented to British intelli-gence, asking for information "regarding the beckground to the murder" which she believed it over the farcical escape of the

> Until now she has been very popular among Social Democrats and has been held in high regard



French National Front leader Jean-Marie Le Pen yesterday following his party's poor showing in the elections

# French parties cast pacts for final vote

FRANCE'S POLITICAL parties yesterday started gearing up for the final stretch of a general elec-tion campaign that is turning into a classic left-right confrontation and looks like being a much closer race than the opinion polls The Socialist and Communist parties committed themselves to

a mutual support pact in the final round of voting next Sun-day, while the neo-Gaullist RPR party and its centre-right allies in the UDF met to step up the co-or-dination of their positions.

On the extreme right, however, the National Front continued its war of nerves to extract a mutual tional right-wing parties. It claimed that negotiations on such a pact were already under way with the Gaullists.

mark remains over whether the mainstream parties can, by the end of this week, mobilise their supporters sufficiently to increase the voting level. Until now the slection cam-

paign has been lethargic and the first round of voting on Sunday was marked by a record abstention rate of more than 34 per cent which represented a sharp set-hack for predictions that the Socialist Party would win a large

absolute majority.

Mr Georges Marchais,
secretary-general of the Communist Party, announced yesterday
that Communist candidates would withdraw in favour of Socialist candidates where the Socialists scored more votes. But he made it clear that this did not imply any support for a "policy the National Front continued its carried out in alliance with the war of nerves to extract a mutual right," an allusion to President were all closed, along with woting agreement from the tradi-Mitterrand's repeated desire to enlarge the parliamentary majority to the centre to include non-Socialists.

> slightly more ambiguous terms, ship of Soweto, and several vio-lent incidents in Natal. Continued on Page 24

Voters prove pundits wrong, Page 2

VE WANT TO GET

#### Two million S African workers in strike protest

By Anthony Robinson In Johannesburg

NEARLY two million black workers in Sonth Africa stayed home yesterday at the start of a threeday protest against proposed gov-ernment restrictions on trade unions and the suppression of 17 anti-apartheid groups three

months ago.

Hardest hit was Sonth Africa's economic heartland, the Pretoria-Witwatersrand-Vereeniging

triangle.
The Labour Monitoring Group, an independent body, calculated that at least 1.9m people did not go to work: "This makes it the

biggest strike in South African history," said a spokesman. The Congress of South African Trade Unions (Cosatu) had called on workers to stay home to protest against the Government's Lahour Relations Amendment Bill, which is designed to curb union powers. The country's emergency laws prevented the Congress from advertising its

campaign.
Although central Johannes-burg and the industrial suburbs were virtually deserted, the vital gold mines continued to function normally with the exception of Gencor's Grootvlei mine where half the workforce stayed away, The Chamber of Mines esti-The Chamber of Mines estimated that only 9,000 of the 550,000 miners smployed by the six major mining companies took part in the stayaway, although Mr Cyril Ramaphosa, General Secretary of the National Union of Mineworkers (NUM) estimated that up to 40,000 mineworkers were involved. "It is still early days," he added.

The surprisingly small impact of the stayaway in the mining

of the stayaway in the mining industry, which provides more than 60 per cent of South Africa's foreign exchange, followed Friday's successful interdict brought hy the Anglo American Corpora-tion, South African mining coa-sortium, against NUM officials in the Orange Free State. This restrained local union officials from openly calling for a stay-

Outside the mining sector companies in Pretoria and in the Durban area were badly hit, and the country's seven car plants were all closed, along with sevplexes.

The first day of the stayaway passed off relatively peacefully, way with the Gaullists.

Mr Pierre Mauroy, first secretary of the Socialist Party, mark remains over whether the returned the compliment in from Johannesburg's black town-Police and army units stood

guard over railway stations, bus stations and taxi ranks. 

# Akers, who became head of the 385,000. In the process, it has world's largest computer company two years ago. The company's current moves activities, with more than half of these group into field positions. The company's current moves activities, with more than half of the underlined the need for Continued on Page 24 RWE to buy Deutsche Texaco

BY ANDREW FISHER IN FRANKFURT AND KAREN FOSSLI IN OSLO

RWE. West Germany's largest try's Oil and Energy Minister, electricity utility, has agreed to had been informed of the talks, pay \$1.22bn (£580m) for Deutsche but a decision by Statoil to particity business.

Texaco, part of Texaco of the US, in a deal which takes it deeper also have to be approved by the into the energy sector and broadens its industrial scope at a time ing (Parliament). Statoil's stake it up to around DM350n, and prowhen it has more cash to spare would be a minority one.

Statoil can into severa contributions for new investments.

Statoil said it could reach a decision by the autumn to share in a new marketing and refining marks an important step in the ing.

when it has more cash to spare would be a minority one.

Confirming the widely expected deal, RWE (Rheinisch-West-fällisches Elektrizitätswerk) also said that it was engaged in 'promising negotiations' with Statoil, the Norwegian state oil group, as a possible partner.

Statoil ran into severe cost of and gas exploration and production activities, and a profit duction activities, and a profit

vide it with 1,900 petrol stations, oil and gas exploration and pro-duction activities, and a profit-able chemical division.

Last year, Deutsche Texaco's net profits fell sharply from DM138m to DM67.5m, reflecting losses on oil refining and sales. in a new marketing and refining company to be formed out of RWE's own operations and those of Deutsche Texaco.

Statoil said RWE first approached it several weeks ago to become a partner and to supply long-term cruds oil and oil products. West Germany has long been an interesting market for Statoil because it has the scope to become Europe's largest market for crude oil and products.

The German utility is nearing been an interesting market for statoil because it has the scope to become Europe's largest market for crude oil and products.

The Normed out of US group's extensive restructurate plans. It also adds considerations by the oil and chemical activities of Essen-based RWE, which gas prices, nowever, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company's production side was profit its last year of DMT9m (DM gas prices, however, the company is last of the oil and chemical activities of Essen-based RWE, which has approached it in the company is profit its of Essen-based RWE, which approached its profi ing equipment companies, Heidel-berger Druckmaschinen.

COMPANY **31** Corparate Finance-part af Investors in Industry, the U.K.'s leading investor in private companies - is actively invalved in advising an the buying and selling of companies. So if you are looking to realise capital tied up in a business warth £1 millian at mare, we are ready to help.



Lau may be interested in an autright ar partial sale. At 3i Carparate Finance we have the experience and flexibility to advise you an the range of alternatives available - and with aur computerised database of patential buyers we can identify the most suitable purchasers.

**11** confidential discussion with one of our team cauld give you a clear ideo of the value of your business - and how we can help you realise it.

La arrange a meeting, please call Tim Moore or Helen Turner on 01 928 7822, or complete the coupon.

> Please let me have Name more details about haw 3i Corparate Finance can assist me in realising the capital tied up in Tel. No. my company. SEND TO: 31 Corporate Finance Ltd 91 Waterloo Road, London, SEI 8XP.

Companies America .... Companies World Trade .. Britain . 11-14 Companies

Intl. Canttal Markets . 34-39

TESTING TIME AS THE TALL **AUSTRALIAN** POPPY TAKES THE STRAIN

Entreprenent Alan Bond's latest business foray is an A\$850m bld for Robert Holmes à Court's Bell Group, Page 22

French elections: Voters prove the pundits wrong again . 1992: EC wrestles with creation of integrated market in banking \_

Nicaragua: US clears Contras off the policy Technology: Taking the heat out of the plas-Carpets: Coloroll's arquisition takes it to the

Editorial comment: The French conundrum; Fading real for tax reform \_\_\_\_ Moscow Summit: Edward Mortimer defends Reagan's emphasis on human rights \_\_\_\_\_ 23 Lex: Bond/Bell Group; Amersham Interna-

tional; Markets; Tate & Lyle ....

# W Germans told pension system could collapse

BY DAVID GOODHART IN BONN

THE WORKING life of West Germans may have to be lengthened, until 1991.

Mr. Necker maintains that hy mill pension system is to avoid collapse, according to the employers organisation Bundesverband der Deutschen Industria (BDI).

Mr. Tyll Necker, BDI president, pointing to a combination of aarly retirement and a falling population, said that by AD 2030 Mr. Necker was critical of the government's failure to reduce the 18.7 per cent of salary that is currently paid towards pension increase consumer taxes next

currently paid towards pension increase consumer taxes next benefits (and matched by employ-ers) would have to double or, rying downward trend in invest-alternatively, pensions would have to be halved.

In an intriguing example of the

Mr Necker, who was addressing his organisation's annual conference, is well known as a tributing copies of a letter from harsh critic of the Bonn Government — especially about failure to control non-wage labour costs — and has turned the BDI into a taken to task for comments he less than respectful observer of made about German industry in the West German economic a news magazine. The letter conscience. "Wa must prepare Ger-

His comments on the urgent many for a more competitive need for a radical review of working time and social security payand we must therefore overcome ments is aimed as much at the defensive mentalities and stratements is aimed as much at the Government as at unions' continuing campaign for reduced working time. The Government has just started its review of the pension system (it is also in the midst of trying to reform the tax, health and supplementary benefit system) and yesterday Mr Norbert Blüm, Labour Minister, said in a radio interview that there would be no need to increase the

ter reports from Vienna.

Waldheim hails verdict of

PRESIDENT Kurt Waldheim of ings were shown, a war historian

Austria said that the ruling of a said the retired judges had falled mock television trial that he was to address the key question of unlikely to have committed Nazi atrocities proved he was the victure of a slander campaign, Reuter reports from Vicana

Speaking during a visit to Saudi Arabia, Dr Waldheim predicted that the findings by five retired judges in Sunday's broadcast on Britain's independent television would impress Western states. Dr Waldheim has been largely shunned by Western leaders since allegations surfaced about his Second World War activities.

The President told Austrian Radio he was happy that "this investigatory commission, even though it is a purely private institution, unanimously recognised that there is . . . no case to answer. That corresponds with what I have been saying for almost three years: that we are dealing simply with a slander campaign."

Norwegian minister hints

at EC entry 'in long run'

The Norwegian parliamentary Brussels to refuse, EC officials dehate today on the country's conceded, for it is the only out-

relations with the European sider which has negotiated acces-

Community will probably accelsion. Austria is considering an erate an eventual application by application to the EC.

Oslo for membership, Mr Thoramore Mr Stoltenberg was accommunity.

three hours of the mock proceed- vision inquiry,

British television 'trial'

# deal may be rejected by teachers

ruptive action in the Italian school system would he brought to an end this week are looking distinctly shaky in the face of strong moves among many rank and file teachers to reject last week's preliminary pay deal.

Despite being awarded pay increases worth more than 50 per cent to some grades over

One of the established trade union confederations, the

With teachers due to supervise school-leaving examina-tions and to carry out annual final assessment meetings next week, the Government is being forced to consider a legal inter-vention to assure some kind of normal concinsion to the aca-

When the draft agreement was reached last Thursday, Ministers had hoped for a for-mal signing this Thursday. However, a rowdy meeting of Gilda, the moderate wing of rehei teachers who have rejected the established unions, attacked the leader-

decision until later this week. Meanwhile, Gilda is maintaining its existing ban on examinations and assessments.

Also at the weekend, the hard-line Cohes group rejected the accord out of hand, claiming that the money was inadequate, the increase in teachers'

Whether or not the Govern-ment feels bound to intervene could be determined by Snals, the largest of the independent

But the World Jewish Congress, which initiated many of the allegations, denounced that the aridence they had heard was not enough to television trial as "consumer make it probable that Mr Wal-In Israel, where more than war crimes as alleged in the tele-

> However, the entire exercise demonstrates the immense dif-ficulties unions are having in interpreting their members' priorities. Daspite having secured generous pay rises, the absence of any Government assurance that teachers' pay would be related to university salaries seems to be one cause of widespread discontent.

# Italian pay

HOPES THAT virtually all dis-ruptive action in the Italian

per cent to some grades over tha next three years, break-away militant groups are rejecting the proposed contract as inadequate.

CGIL, is so hesitant that it wants at least another week to consult its members. Meanwhile, teachers in many schools are refusing to work normally.

demic year.

This may include a full-scale precetazzione whereby public sector employees can he legally required to work normally, or a waiving of the regular norms requiring a full complement of teachers for assessment meetings.

ship for initialling the draft accord and deferred any final

workload unacceptable and a 50,000 cut in jobs excessive.

teaching unions, which also initialled the deal last week and whose leadership is due to take a final view in the next

day or two.

Although it seems impossible to make precise judgments about the relative strengths of any of the education unions, acceptance by Snals and two of the three union confederations might force the others into

#### FT Correspondents assess the state of the parties after the first round of French voting

# French voters prove pundits wrong again

**EUROPEAN NEWS** 

ist party. And Sunday's first Sunday, or whom they will vote round of voting in the general for. election has completed a triple Four explanations for the

experts and above all, on the politicians. The constant flood of public opinion polls gave the impression that the future was predictable; time and again the voters have perversely bucked the experted trend.

Six weeks ago, after the first round of the presidential election, the pundits were startled by the sudden explosion in the vote for Mr Jean-Marie Le Pen, leader of the extreme right-wing tion rate (a record since the Secondary was unfavourable).

Minister Michel Rocard were so insistent on the need to avoid an overwhelming Socialist majority, but rather to build an opening to toted National Front may stay at home, or even vote Socialist. That at least is the conventional visidom.

It may be unwise to trust the conventional wisdom. It is clear that Sunday's 34 per cent abstention rate (a record since the Secondary was unfavourable).

of the extreme right wing this rate is leading to the Marina Rront. A fortnight later, and World War) was unfavourative the decisive second round, ble for minor candidates, but it is they were taken aback by the not absolutely clear why one scale of the defeat of Mr Jacques third of the electorate stayed at Chirac, leader of the RPR Gauli-home, how many will vote next

socialists will proceed a second and any case had polling institute holds ont the failed to rustle up any plausible possibility that they may fall just national campaigns.

IT LOOKS as if 1988 is turning short. The Socialists won just on the a vintage year in the under 38 per cent of the vote, and annals of French elections, at the traditional right and centreleast for the number of surprises right parties around 40 per cent, inflicted by the electorate on the but the Socialists have the advances of the surprise and, above all, on the politage that they can probably which is trained. The constant flood of court on white the surprise of the sur

home last Sunday

If the last two explanations are predominantly true, then one election has completed a triple Four explanations for the series of upsets, with a record abstention rate seem to be abstention level which throws favoured by the pundits. First, open all previous assumptions of the voters were already worn out a massive Socialist majority in by a presidential campaign which recording to the aid of the party. The pattern of 1981, which a massive Socialist majority in by a presidential campaign which open all previous assumptions of the voters were already worn out not encourage this expectation.

After Sunday's vote, the new antumn; by last Sunday they conventional wisdom is that the were overcome by election socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the political par
Socialists will probably secure a fatigue. Second, the patigue and two it was still more than 25 per has injected new hope into the forced on the social cent. After winning just over 37 traditional right-wing parties, per cent in round one, the Social and may well serve to sustain haps that will be the ists went on to secure an abso-

and Prime Minister were seeking to woo the centre with insistent proposals of something which they describe as "the opening", and which corresponds to an enlarged political majority. Since Sunday night, however, Mr Rocard has started to call urgently for a Socialist majority. There is no reason to suppose

There is no reason to suppose he has changed his mind about the desirability of a more hroadly-based Government: it is just that his priorities have been sub-

lute majority of seats in round two, hut mainly because the Communist score of 16 per cent in round one provided a large reserve of left-wing voters. This time the Communist base-line is only 11 per cent.

In any event, the relative short-fall in the Socialist performance un Sunday has produced an immediate transformation in the language of political leaders on left and right. In the run-up to last Sunday's vote, the President and Mr Vaiery Giscard d'Estaing, to woo the centre with insistent and the contraction of governmental "cohahitation" with President Mitterrand. But Mr Edouard Balladur, tha former Gaullist Finance Minister, and Mr Vaiery Giscard d'Estaing, the former President. have already mada clear that they have no such inhibitions. former Gaullist Finance Minister, and Mr Vaiery Giscard d'Estaing, the former President. have already mada clear that they have no such inhibitions. Indeed, their appetite for government is

quite unrestrained.
In other words, the shock effect of the record abstention rate has been to shift the substance of this general election campaign from a high-minded debate about "opening", towards a classic left-right confrontation between the maisstream political parties. This sim-plifies the issues: it is easy to sympathise with the Socialist ideal of a hroader majority, but difficult to see how it could be put into practice. For the experts an "opening" remains an essen-tial part of the political diet; they continue to claim that it will be forced on the socialists, willy-nilly, after the election. So per-

# All change on far right and left Strong vote puts

THE FORTUNES of the French Communist Party (PCF) and of the National Front, the two par-ties at the opposite extremes of the French political spectrum, were completely reversed in the first round of the French general election on Sunday.

Mr Georges Marchais's Com-munists succeeded in halting their steady electoral decline and managed to increase their overall share of the vote to 11.3 per cent after hitting an historic low of 6.7 per cent in last month's presiden-

tial election.

Although the majority voting system is expected to halve the Communist presence in the National Assembly - the PCF is expected to win no more than 10-15 seats compared with 35 seats in the former Parliament -the Communists have scored an important victory both psychologically and symbolically hy polling more votes than Mr Jean Marie Le Pen's National Front, The latter had overtaken the

expected to lose all its 32 seats in figure in Marselles. the Assembly barely two years However, the poor showing of Socialist party's move towards after its triumphant entry. But the National Front does not mean the centre and a moderate revival that event had been greatly facili- that it will suddenly disappear in trade union militancy.



Marchais: Surprise revival of Communist Party's fortunes The latter had overtaken the Communists in the 1986 general elactions and significantly increased its lead over the PCF last month by scoring 14.4 per cent. However, its decline in the general election had been widely forecast.

Mr Le Pen's impressive score in the first round of the president that election was largely the result of his personal appeal for a largely the result of his personal appeal for a largely and of the representations.

Mr Le Pen's impressive score in the first round of the president candidates, including Mr result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the result of his personal appeal for a largely the front candidates, including Mr largely contested by other cendent boost of moderate members of Mr largely contested by other cendent boost of the traditional right next Sundonnel Pen's voters will undonhitedly play a major role in either boost. Other Chirac's RPR party, the UDF's electoral partner, also undonhitedly play a major role in either boost. Other Chirac's RPR party, the UDF's electoral partner, also undonhitedly play a major role in either boost. Other Chirac's RPR party, the UDF's electoral partner, also undonhitedly play a major role in either boost. Other Chirac's RPR party, the

large portion of the electorate sentatives of the traditional Sunday, the Communist party who in voting for him were RPR-UDF right in the region, score came as a surprise. None of expressing protest against the none is expected to win seats in the main political opinion polls that the region had forecast such a recovery in the second round with the exceptable former Trade Minister noted for his insistence that the RPR must have no truck with the extreme right and left.

The National Front is now Arright, a veteran National Front the communists, while Minister noted for the region, score came as a surprise. None of his insistence that the RPR must have no truck with the extreme right, received 47.83 per cent of the votes in his Lyon constitution of the communist party. from the combined effects of the

# spotlight on centrists

Their strong score in the first round of the legislative elections on Sunday brought them back into the limelight, even if It was unclear whether the voters were rewarding them for resisting the Socialists' approaches, or encour-aging them along the path of openness and dialogue.

Leaders of the centre-right UDF grouping such as ex-President Valery Giscard d'Estaing and his former Prime Minister, second round ballot.

have no truck with the extreme depend on doing a deal with right, received 47.83 per cent of National Front for the with-the votes in his Lyon constituted drawal of its candidate in order the votes in his Lyon constitued drawal of its candidate in order ency and is well placed for the to avoid splitting the right's second-round run-off.

however, for the CDS party, the trists to accept the Socialist overmost centrist component of the tures they refused a month ago.

AFTER the re-election of President François Mitterrand, former Public Works Minister Mr France's centrists came into Pierre Mehaignerie, was always prominence as the Socialists tried expected to go through in the first round in his Brittany strongment, with only small success.

Their strong score in the first or Mr Adrian Zeller faced tougher struggles. Both, howover, achieved more than 50 per cent of the votes in their constituencies to go through in the first round.

The CDS's success has encouraged some of its members to believe it may be able to form an independent parliamentary group in the new National Assembly.

But Sunday's strong centrist Mr Baymond Barre, were reelected sweepingly in the first
round. They will now be free to
take leading roles in the national
campaign before next Sunday's
second round ballet

write owes much not only to the
personal standing of its leaders,
but also to the right's electoral
alliance, with single candidates
in almost all constituencies. And
the senaratist tactic will be vote owes much not only to the the separatist tactic will be

it must avoid the trap posed by the extreme-right National Front. Several right wing seats may second round run-off.

The success was most marked.

Such a deal could drive the cen-

# Ozal support slips as austerity bites and Turkish strikes spread

vald Stoltenberg, the Norwegian foreign minister, predicted to the EC Commision yesterday.

However, in a round of EC-Nor
Ho AUSTERITY measures at last appear to be curbing inflation in wegian high level talks with Mr touch with community plans to Willy De Clercq, the EC external liberalise air, sea and road trans-Turkey, which halved in wholeaffairs commissioner. Mr Stolten port. Some 70 per cent of Norweberg made it clear that his coungian trade is with the EC. Norway's parliament approved a law giving the minority Lahour government much

tighter control over the stock exchange, including jall terms of per cent last month.

Mr Suleyman Demirel, a former price likes, introduced immediately after the general elections, the popularity of the ruling Motherland Party ment needs to hring about a (Anap) in opinion polls has sunk strong improvement in inflation to its lowest level since Prime to goold serious unrest by through of a hloated economy The Storting (parliament) is up to three years for anyone only today dehating a white paper on relations with the EC reports. which the government tabled a year ago. Mr Stoltenberg said the one year ago and obtained a paropen debate would improve publiamentary majority with the help of its centrist allies, the

with the community and that Christian People's Party and the would "in the long run" lead to a Centre Party. discussion about joining the EC.

Of all potential EC applicants tivea and the tiny right wing Norway would be the hardest for Progress Party voted against.

Mr Stoltenberg was accom-

sale price terms to 2.1 per cent in May compared to April, according to the State Institute of Statistics. The twelve-month whole sale inflation rate peaked at 68.5 the other parliamentary party, per cent in April, falling to 64.2 the True Path Party (DYP) led by Mr. Splayman Demind 1 former

Minister Turgut Ozal took office autumn, and possibly outbreaks in 1983.

Popular frustration with aroded living standards is the country and the moderate reflected in Anap's 25.6 per cent leadership of the main trade share of a recent poll in the Istanunion confederation, Turk-Is, but daily Milliyet, compared with now finds itself compromised

BY JIM BODGENER IN ANKARA

of isolated violent protests. in an election year – which he Strikes are spreading across said Anap had planned for

between the escalating militancy among its rank-and-file members and its dialogue with the Govern- have stressed.

State Minister Yusuf Bozkurt responsible for the economy in general - told the Financial Times recently that swingeing

Coupled with the carry-through of a hloated economy from relaxed economic controls - these price hikes sustained the high rates of inflation into the first four months of 1988. Tough measures had to be

An era of structural change beckons pulp and paper makers

taken to bring the economy back on course, both the Ozal brothers

In early Fehruary, an emergency remedial package, includ-ing a hike in the one-year deposit rate above inflation to 65 per cant, was introduced to halt a run on the lira in the unregu-lated, but tolerated, unofficial for-

eign exchange market. Tranchant criticism of real borrowing costs of up to 100 per cent Turkey's erratic return to democrand more followed from husiness organisations. The package was organisations. The package was reinforced by a budget seeking to hold growth down to 5 per cent in 1988, and to halve inflation to 33 per cent by the year end - although hy now aven ministers admit the latter target is

Sweeping cuts in public expen-diture have meant that few new carry up to 15 years each, of infrastructure projects will go forming a group to overthow the ahead in 1987,

Both Anap's and the SHP's leadership will have the opportunity to gauge the mood of backbenchers and grass-roots membership at their party congresses on June 10 and June 25-26

that Turkey still has some way to go to match European standards was the hearing yesterday on the legality of the fledgling Socialist the suc party formed in February.

Today, its leaders will also be "Green tried in the Istanbul State Secu-party."

state's social and economic order. Tomorrow, two communist leaders face 66% year sentences if convicted in the Ankara State

Security Court of attempting to establish a Marxist-Leninist order and to foment class struggle. The congresses will be further if minor steps along the way of they misjudged the regime's tolerance shortly before the November 19 and ber elections. Both men claim

Finally, adding yet another dimension to the confusad domestic political spectrum was the successful application yesterday for formal recognition by a "Greens" environmentalists

#### Yugoslavia gets approval from World Bank

try was only slowly resuming the courtship with the EC It broke off

16 years ago when Norwegians

voted not to ratify their treaty of EC accession by a 52/48 majority.

lic understanding of relations

THE World Bank has confidence in Yugoslavia's tough new programme of economic reform and austerity, Mr Wilfried P. Thal-witz, the Bank's Vice-President said on Monday, Reuter reports

The programme, launched last month, lifts many controls on prices, imports and foreign currencies, while curbing wage blkes and public spending.

Yugoslavia agreed to the programme as part of a credit agree-ment with the International Mon-etary Fund.

Mr Thalwitz, regional World Bank Vice-President for Europe, the Middle East and North Africa, was attending the annual conference of the Yugoslav-Amer-ican Economic Council in Split.

Meanwhile, a sanlor World Bank official said the Bank was considering granting Yugoslavia a \$300m Structural Adjustment Loan, about half of which would be ready by the end of this year. pulp mill in Spain.

EUROPEAN pulp and paper manufacturers still have some way to go before they can match the sheer size of their US and Japanese competitors. They are also lagging behind in the process of restructuring being undertaken in Sweden and Finland, according to Dr Hartwig Geginat, chairman of the West German group Feldmühle.

Fortecasting 10 years of accelerating from a Others, such as Wiggins Teaper of the UK, active in Belgium and Spain, had also invested and bought companies. However, the trend towards international acquisitions and investments was more pronounced among Scandinavian producers which wanted to improve their position in the Enropean Community before 1992, he said.

Feldmühle.

Forecasting 10 years of accelerating from a rating change in an industry racked in recent years by the strains of adapting to increasing globalisation, Dr Geginat told the and SCA — had come to control financial Times World Pulp and Faper conference in London yesterday that his company was preparing for the advent of the single European market in 1992.

In co-operation with its new placed West German producers at

In co-operation with its new placed West German producers at French partner, Papeteria a disadvantage against their combecome Europe's biggest mannfacturer of lightweight coated facturer of lightweight coated an additional machine in Cordinary and the purpose of header partners Events 18 and 18 behem, northern France. It was or buying paper companies. In also hoping to set up a greenfield the past four years exports of pulp from Finland and Sweden

1. . 1.

CONFERENCE

BY CHRISTOPHER PARKES, CONSUMER INDUSTRIES EDITOR

ing pulp prices and static or the community before the end of declining paper prices. the contury. Dr Siegfried Meysel Restructuring of the Swedish of Leykam Mürztaler, Austria, industry had been a "crucial added that his country was also

executive of Stora. Sweden, West Germany and Finland struggled with wood costs more than double those in the southern US, eastern Canada, Portugal and Brazil for example. These suppliers would increas-

CONFERENCE

Pulp and Paper
Industry

had increased by 6 per cent while overseas sales of paper and board had risen 30 per cent.

This had increased the pressure on non-integrated producers in large consuming countries such as West Germany, the UK, France and Italy. Even though the market was growing, "many of the larger and efficient non-integrated paper producers find themselves squeezed between rising pulp prices and static or declining paper prices."

These suppliers would increasingly compete in the same markets as Sweden.

And he forecast further structural change with more mergers, closure of small plants, and attempts by non-EC companies heavily dependent on exports to the Community, to establish themselves through takeovars inside Europe.

"Sweden is part of the EC," Mr Berggren claimed, raising a few eyehrows. "Sweden's forest lindustry is needed by the EC, and is part of the EC." Later, he forecast that Sweden would probably become a full, formal member of the community before the end of declining paper prices."

necessity" to improve long-term preparing for entry.

competitiveness, according to Mr in common with most speak-

ers, Mr Berggren forecast a hright future for forest products markets. According to some estimates, global demand for paper and board would rise by 7m tonnes a year - the equivalent of Swedan's annual output - for

the foreseeable future.

Mr Red Cavaney, president of the American Paper Institute, also highlighted the increasingly global nature of the market. US manufacturers would face much stronger competition both in and from the European Community, he said. US imports of high he said. US imports of high added-value printing and writing papers last year reached 2.6m tounes compared with less than 800,000 tonnes five years earlier.

The best defence was good offence, he said. More US producers were committing themselves to becoming reliable, long-term suppliers to overseas markets.

"In future US producers are "In future, US producers are going to be much less likely to pull back from their overseas commitments when demand est products corporate finance at improves at home," he claimed the Toronto-Dominion Bank of

Last year, for example, in the

face of record domestic demand.

weakness of the dollar. Last year
US pulp makers operated at 101
per cent of capacity, compared
with 88 per cent in Sweden.
But improvements in the
industry's cost structure had also

helped to reinstate the US as an effective world market competi-Costs of newsprint production in westero America fell 3 per cant in constant dollar terms

cant in constant dollar terms between 1982 and 1986.

Despite restructuring at national and international level, the paper industry was still highly fragmented when compared with other heavy industries, according to Mr Derek Catheart who is in charge of forest products cornorate finance at

Other speakers included Mr face of record domestic demand,
US paper industry exports
increased 13 per cent to 13.4m

Mr John Fery, chairman and
chief executive of Boise Cascade
of the US conceded that exports
had been helped by the relative
weakness of the dollar. Last year
US pulp makers operated at 101

> FINANCIAL TIMES -Published by the Financial Times (Europa) Lts., Frankfart Branch, supresented by E. Hugo, Frankfurt/Main, and, as members of the Beard of Divertors, F. Barlow, R.A.P. McCleon, G.T.S. Dunger, M.C. Gaynan, D.E.P. Palmer, Loudon, Printer; Frankfuror Societness-Drunckovel-Gath H. Frankfurt/Main. Responsible editor: G.D. Owen, Financial Times, Bracket Hoste, Cannan Street, London ECAP AHV. O The Financial Times Lad., 1988. FINANCIAL TIMES, USPS N FINANCTAL TIMES, USPS No 190640, published duity except Sandaya and holidaya. US gubgerholine rates \$186.00 per amount. Second-chus postage and at New York NY and at additional mailing offices, POSTBASTER, seed address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

#### **EUROPEAN NEWS**

#### Romanians may block Vienna agreement

By Judy Dempsey in Vienna

the series of th

The state of the s

trists

ार भागाया है। संस्थाता है।

ii. n.s den

(the later size

15 1 mpr 22-

h. Data Berr

1 0.00 mg

in or is tone

The Arms 1982

The late of the same

G. 1012-T, ≥

or in Other pag

mr.

Crame

that arth to be

计设计键

in National

: undda

Art was h

tarta wille

ALL NUMBER

21 ... in Mr.

i de la companya de l

t with Private

the state of

 $v=v=\{v,ve\}$ 

 $\Delta p_{ij} = 0.4$  (4)

A . . . 12 75

0.1

A J. A. Pell

1.0

read

10. 10.

. . .

12.54.435

The services of the services o

**FS** 

And the second s

e insti

u a dia 知識 in the 知

\*\*\*\*\*\*

Stor i de Marco 🦼

HOPES faded at the weekend for an agreement on a final docu-ment at the Vienna follow up meeting of the Conference on Security and Cooperation in Europe (CSCE), after it became clear that the Romanian delegation was preparing to block any such agreement.

Any agreement depends on consensus by the participating 35 countries which signed the Helsinki Final Act in 1975. The signatories include all European countries except Albania, plus the Soviet Union, the US and

The growing feeling among both Western and East European diplomats is that Romania could prevent agreement on a conclud-ing document at the long drawn-out Vienna meeting which first started in November 1986. Signs of Romania taking a

Mr Dumitru Aninouin and Mr in a member state to establish in a member state to establish itself and market its services in

ambassadors at the talks, strongly suggested that they would not go along with measures which would strengthen human rights. human rights. The two ambassadors had recently been recalled to Romania, where spparently they

received instructions, presum-ahly from President Nicolae Ceausescu, not to support any Although s final document has not yet been fully drawn up, dip-lomats are painstakingly working through a draft paper presented

(NNA) nations with the aim of reaching a compromise between Bast and West, particularly on the whole question of bumanitar-ian issues which comprises the third of three baskets.

So far, diplomats have made steady progress in basket one which deals with confidence and security building measures as well as some aspects of human

Diplomats attending informal meetings between Warsaw Pact and Nato countries on the "conventional stability talks" which are taking place within the framework of the CSCE and which aim to reduce conven-tional forces "from the Atlantic to the Urals," are nearing agree-ment on a final mandate.

At these talks diplomats expect that the two outstanding issues, the exclusion of dual capable systems from the mandate as well as the geographical zone, will be probably inpued out over the next few weeks.

refuse to agree to any improvements in basket three, which con-centrates on travel and emigration, ethnic rights and artistic

freedom.

If this is the case, there could be a repeat of what happened st the 1985 Budapest Cultural Forum, one of the CSCE review meetings, where, just as the 35 countries were ready to sign a final document, the Romanian delegation blocked it.

#### Athens hit by wave of public service strikes

By Andriana terodisconou in

A WAVE of strikes hit Athens yesterday as the Greek Parlia-ment debated a surprise motion of no confidence in the Socialist Government tabled by the Conservative opposition.

As a strike by state secondary school teachers entered its third week, doctors amployed with IKA, Greece's main social welfare fund, began a five-day action for

higher pay.
Taxi drivers announced that Taxi drivers announced that they would be staying off the road until tomorrow, along with provincial buses, demanding higher pensions. Bank employees were expected to join in the fray today with a 24-hour strike for higher wages and the preservation of a promotion system based on seniority rather than merit.

Parliament is expected to vote on the no confidence motion today. The chances of the motion passing are remote given the Socialists' 157-strong majority in the 300-member house.

EC wrestles with creation of integrated market in banking

market, so their progress could

be precedent-setting.
The main proposals are contained in the Second Banking
Co-ordination Directive which came out in February and is now making its way along the EC production line to the European Par-liament where it will be debated next winter. Already, parts of it have provoked controversy, mak-ing it clear that some redrafting

may be needed.

As a highly regulated industry, hanking presents a special problem for the EC integrated market regulatory control has to be preserved regardless of what hap-pens to country harriers. But rather than centralise regulation in a new EC bureaucracy, the Commission has introduced the Signs of Romania taking a much firmer stand emerged in Vienna late last week during one of the regular caucus meetings of the Warseny Part

Commission has introduced the much firmer stand emerged in concept of e "single banking licence". This will allow any bank which has been authorised bank which has been authorised

market in 1992. They also cial sectors such as investment

ers and supervisors as a sensible solution to the regulation prob-lem because it will avoid creating cal access to EC banks. This a new super-regulator.

It should also stimulate a certain amount of regulatory competain amount of regulatory compe

back excessive regulation so that entire EC market. their banks do not suffer a competitive handicap, but it might also set off a deregulatory scramble which would be harmful.

The commission sees reciprocity as a powerful weapon in international commerce, particularly in light of the forthcoming Gatt Minimum levels of regulation will be guaranteed by other EC directives on bank capital and solvency. But the EC's initiatives here will be overshadowed by the new international appervisory regime being prepared by the Bank for International Settlements in Basle, which covers major banking nations like the US, Canada and Japan, as well as the EC.

Although there is rivalry between the EC and Basle in this area, there is plenty of overlap

THE European Community's promum to minimum harmonisaposals for banking are among the most ambitious yet put forward rather than central control. And to enter the integrated market by the Commission for the single it is to be applied to other finanmarket in 1989. They also member. But a branch will not be embody many of the key princiservices and parts of the insurples which the Commission ance industry.
intends to apply to other sectors,
as it constructs the integrated has been welcomed both by bankinserting into the Directive, at the last moment, a requirement

> tition between member states. country, that country's banks This may force countries to cut could be denied access to the negotiations. France is one of the leading supporters of this view. But other members are unhappy with it: one official denounced it as an instance of the EC's "Col-

ditz mentality".
The UK is leading the opposi-Since several sizesble banking home regulator to conduct a yers. But the countries, such as Australia, Canlisted business abroad may do so will be less of a problem in practice and and Sweden restrict the throughout the EC, regardless of tice, but test cases may well have the rotten and and Sweden restrict the throughout the EC, regardless of tice, but test cases may well have because of fears generated by last tions, and two Commission recommendations on Illmiting

sion has asked individual members to consider requests for authorisation as if it were already in force in fact, virtually every major bank is already in universal banking tradition in ings may not be more than 50 per cent of such a investment business. But this has raised a storm of protest from other countries and banks, and it may well have to be reconsidered. every major bank is already in the EC, so there will not exactly be s stampede. But given thet reciprocity is one of the princi-ples which the EC would like to

David Lascelles examines some of the most ambitious proposals for 1992 yet put forward by the European Commission

As a highly regulated industry, banking presents a special problem. Regulatory control has to be preserved regardless of what happens to country barriers

see in all sectoral directives, the banking debate could be illumi-

Another key issue is the range tion because it fears London, of services which fall within which bosts far more third counbanking. The Directive contains

quite strict.

But there is considerable

laws and regulations. For example, Denmark does not allow them expensive to bold) rather banks to run travel agencies; than prescribing absolute limits. west Germany does not require special licences for leasing but France does; in the UK banks that banks are regulated by their cannot sell their own and other investment products through the investment products through the cannot sell their own and other investment products through the cannot sell their own and other investment products through the single banking licence is based on the principle banking the single banking the s

which bosts far more third country banking. The Directive contains good. Quite what this means ity position of banks (again, try banks than the rest of the EC put together, would be the victim of every reciprocity dispute. any bank which is allowed by its lucrative battleground for law provision for it), and the third is countries expected to become a provision for it), and the third is countries expected to banking. The Directive contains good. Quite what this means ity position of banks (again, because there is no overall EC provision for it), and the third is regulation of the securities activities expected to become a provision for it), and the third is regulation of the securities activities of banks.

Europe.

The list itself is broadly acceptable to bankers and may undergo little change, though it will give listly the West Germans who are stored to this article, particularly the listly the West Germans who are stored to the large that the lar greater scope to banks in, say, have very large industrial bold of bome country control" and is the UK which imposes few limits ings, and the EC Banking Feders unrealistic because a bank's solon what banks may do, than in tion (the bankers lobby group) is Italy where bank limitations are quite strict.

EC really wants to control such "participations", bankers say, it

same outlet ("polarisation").

The principle edopted by the try can intervene. One is EC is that individual countries can put restrictions on banks, but only to protect "the public another is monitoring the liquid-

purposes (which would make

The British Bankers Associa tion, in a detailed analysis of the Directive, says this proposal "flies in the face of the principle unrealistic because a bank's solvency can only be judged as a whole, not for particular activi-

The lobbying effort to have the potential for conflict between the should do so by giving them a Directive changed will shortly Directive and various national beavy weighting for capital ratio shift to the European Parliament where it will be considered by the report made by a rapporteur. The Parliament can demand that the Council make changes, and individual countries can block the Directive if they muster enough votes on the Council. Given this lengthy process, the Banking Directive may not be finalised until the end of next year.

The Directive depends on a

number of other measures for its effect. The freedom of capital movements within the recently agreed in principle, is an important one. So is tax harmoniisation.

too seven countries are members

the single licence idea fits in

with the more recent shape of the

Commission's thinking after it

switched its emphasis from maxi
too seven countries are members

entry of foreign banks, the poten
tial for conflict is quite large.

This includes obvious ones like

deposit-taking and lending, banks to own stakes in non-bank.

The main difference is that

too seven countries are members

entry of foreign banks, the poten
tial for conflict is quite large.

This includes obvious ones like

deposit-taking and lending, banks to own stakes in non-bank.

The main difference is that

the EC regime will be statutory, beat the Directive, the Commis
switched its emphasis from maxi-

# Community ministers set today to clear four more hurdles to free trade

BY WILLIAM DAWKINS IN BRUSSELS

FOUR BARRIERS to free trade between European Community member states are due to be ordered for demolition today by a meeting of the EC's 12 trade and industry ministers.

The session is also tipped by diplomats to clear the way for a minis-terial accord, possibly later this month, on far reaching proposals to

guarantee professional people the right to work anywhere in the Com-munity, subject only to basic tests or training periods. Today's meeting follows an urgent plea by Mr Helmnt Kohl, the West German Chancellor, to his fellow EC leaders to sink some of their differences over details of the Community's campaign to create a genuine single

The liberalising measures to be given member states' final approval day are common rules for good laboratory practice to avoid the need to duplicate national tests for new chemicals or drugs; standard packaging and labelling standards for dangerous substances in the home, like bleach or weedkiller; EC

rules for marking the volumes of packaged liquids; and the banning of the need, imposed in some mem ber states, for banks to publish accounts for their separate

They are small steps on the road to the internal market, but a wel-come progress for a West German EC presidency which has made slow progress in finalising single market decisions. Its big internal market achievement so far has been approval for long delayed plans to liberalise non-life insurance. An accord on today's four mea-

sures, already accepted in principle by EC ambassadors, means member states will have adopted 83 of toe 211 internal market proposals so

far tabled by the Commission Todsy's sgenda also includes plans for a common EC trade mark and an office to administer it, a Community patent law; and measures to extend the right to live anywhere in the EC to non-workers, bringing to nine the total of barri-er-dismantling schemes for debate

# MPs doubt barriers will all disappear

BY JOHN WYLES IN ROME

in virtually all European Commumity countries for urgent prepara-tions for the 1992 internal market deadline, only very small propor-tions of parliamentarians in Italy, France and Britain actually believe that all important barriers will have been swept away on

schedule. Many more believe — in the case of staty, fully one half — that many countries will be the next few weeks.

In contrast, diplomats now fear that the Romanians will simply designed to free the movement of aed to free the mov people, goods and capital. Both italian and Spanish MPs tend to see more risks than benefits in the whole exercise, with 47 per cent in both countries believing that the more economically back-

ward regions will suffer. These are some of the main

Malta nuclear objection

over UK Royal Navy visit

MALTA'S opposition Labour take place outside the British Party, led by Dr Carmelo Mifsud High Commission offices in ValBonnici, is objecting to the letta.

Planned visit by four British Royal Nsvy warships later this month.

The objections revolve round the claim that some of the visit remove was denied by the Government.

port ships, Fort Grange and Fort said the Britisb Government Austin, may be carrying nuclear risked provoking a reaction by weapons which could cause Labour Party supporters. The

unnecessary risks for the Mal- healthy relations built with

DESPITE THE growing clamour Community commitments as an integral party of domestic politi-

> "As a result, caution, reserve truly even fears are emerging about decisively attaching our-selves to the single market, says Pragma, which sees instead a strong attraction in Italy for requesting derogations from Community agreements. Whereas 50 per cent of Italians expected widescale derogations from 1992 commitments, only 36 per cent of French politicians thought this would be the case and onyl 4 per cent of Spaniards. The British, however, were not that far dis-tant in their scepticism, 44 per cent expecting special exemptions.

Significantly, the Italians regard their country as likely to findings of a poll conducted be much less prepared for 1992 among the parliamentarians in than politicians in the other Italy, Britain, France and Spain three countries influenced probby the Rome-based agency ably by Italy's evident economic. Pragma. Commissioned by the success. Thus, Italy ranks itself Young Businessmen' Associaeighth in preparedness, ahead of tions from three Italian regions, Spain, Ireland, Portugal and the poll covered 150 Italian MPs Greece. The other three rank it and 50 from each of the other between fifth and seventh with three EC countries and involved British politicians expecting Italy a series of face to face interviews. to be more prepared than their According to Pragma, this own country, which they rank According to Pragma, this own country, which they rank research into political attitudes eighth against sixth for Italy. All towards 1992 highlights the contrast between the Italian politician's attachment to the "European choice" as an ideological value and his general reluctance place the Netherlands in the sector consider the need to honour and slot.

#### gland in the EC supermarket

Veitsiluoto:

# Total refit gears pulp and paper practitioner for the '90s

By Victor Thome, Helsinki

With pulp and high quality paper to offer virtually new mills and a well established presence in the markets of the EC, the US. and eastwards, Finland's Veitsiluoto is approaching the coming decade with a confidence born of practical experience and proven faith in its own abilities.

very structural integration of this Finnish forest industry concern has allowed it to bypass some of the problems experienced control

At Kemi, on the northern shore of the Gulf of Bothnia, one of its three pulp mills is fed by riverby, all with direct access to the Baltic.

A second pulp mill, that Oulu, will have its two-year, £90m refit ready this summer to create an as-good-as-new facility, strengthening the company's position as Finland's a new paper machine at Oulu in the early 1990a to volumes for the optimism with which Veitsiluoto

views the future. Though state-owned, Veitsiluoto Oy is required to be every bit as self-sufficient, financially and commercially, as its Finnish counterparts with a measure of privately-held

Its straight-speaking Chairman of the Board and Managing Director, Pentti O. Rautalahti, states with some pride that what he usually describes as the organisation's metamorphosis over the past decade, undertaken at a cost in excess of £470m, has been largely financed from Veitsiluoto's own reserves and independent loans. with no more than 4% accounted for by share

"For many Europeans these days, this term state owned' is regarded as synonymous with poor

Veitsiluoto Oy 94830 Kemi, Finland Tel: +358 698 814 310 Telex: 3614 vto af Telefax: + 358 698 814 879

economic performance, Rautalahti says. "Here in Finland, companies like ours have a responsibility to rely almost entirely on by others more reliant on our own resources, skills services outside their and commercial activities. And that's the way we like it: we want no hand-outs from the national budget."

Veitsiluoto is noted for some radical, not to say brave, decisions made borne logs and has a paper brave, decisions made mill in the vicinity with its during the past ten years. own docks and ships hard In the '50s and '60s, for In the '50s and '60s, for particular areas of the an extensive upgrading of confers benefits.

instance, it stood as market," Pentti Rautalahti the mills - at least 3% more Rautalahti: "Having Europe's largest producer of maintains. "While our than the norm for the our own docks is a market," Pentti Rautalahti the mills - at least 3% more representations of the same of the sa newsprint - a paper manufacturing segment that accounted for as much as

turnover. Saya Rautalahti: "From what we could gather from largest pulp producer. That our experience of the undertaking, along with a European and world scene £120m-plus expenditure on on pulp and paper, coupled with our own market research, it seemed clear complement it, represents that any worthwhile an investment that speaks growth would lie less in the newsprint sector than in coated and fine papers.

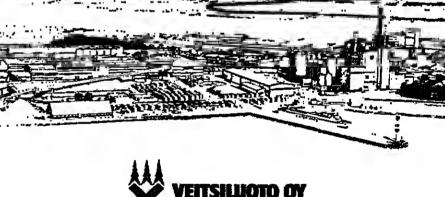
"Still, getting out of newsprint meant taking a big risk. But you get nowhere if you're not prepared to take calculated risks in business.
"We decided, instead, to

concentrate our skills and efforts, financial and R&D resources, on that side of the business in which we had already made our mark with consistently high quality products with solid brand names: in publication papers and various grades for copying, stationery, offset, gravure and the like.

"Looking back, it's perhaps the best decision we ever made - that and the total renovation and updating of our entire holding of pulp and paper manufacturing facilities." Veitsiluoto lays great

stress on conducting its own research and development rather than relying good reason.

"We've developed qualities and grades of years, we've invested 18% customer confidence. This consistent quality. paper that very much of our total sales income in is where satisfy the needs of R&D, which has included integrated



A smooth line from pulp mill to paper mill to ship: getting the quality through

products might well fit into industry in Finland."

MWC or LWC categories, Today, the com foothold in the market.

"And the creation of "The EC forms trees north these special our largest qualities is very much the export sales result of makarea" ing our own decisions.

solving technical problems in our own way and largest export market, keeping all our R&D inhouse.
"The energy we have

devoted to technological research has really paid off. Finnish pulp and paper mills on the whole are well in advance of those elsewhere in the world in the harnessing of advanced technology and in productivity. As we are comparatively small in global terms, we've had to compete with quality, delivery and reliability which meant running at peak efficiency as much as possible "Veitsiluoto is not a

amall fish in Finland's pool of forest industries. Our production capacity for paper is around 600,000 tonnes a year, for pulp 800,000 tonnes a year, half a million tonnes of that being market pulp, which puts us among the leaders. But when it comes to R&D, we earmark more of our on outside institutions. For turnover than the average company in the field.

Taken over the past 25

accounted for as much as it's their specific nature quality papers and pulp, with pulp and papers of half the company's that has given them a firm which incorporates those finer grades, ensuring they long, thin fibres from the arrive at the customer's

purchasing more than 50%

As it happens, Veitsitheir brand names than LumiOffset, LumiCopy and Blade, and such pulp names as LumiPine, LumiBirch, LapponiaPine, LapponiaBirch, OuluPine and OuluBirch.

Turning out the right is where the company's

significant advantage for Today, the company's us. When you're dealing slow-growing premises with the mini-trees in the mum of damage or loss of of quality in transit is a

rgest Finland, enjoy an enviable brand status and loyalty throughout the European Community – its largest export market, processing chemicals as a result of the community of the community – its sufficiency covers woodlargest export market, well as a group its representations. well. As a group, its range of the total output – of activities also en-Finland (almost 20%), compasses shipping (it has EFTA (7%), Comecon four vessela with a (principally the Soviet combined 44,200 dwt), Union, with a little less than 6%) and elsewhere. cutting.
While at present no

luoto's products are definite plans exist for probably better known by expansion in Western Europe in sheet-cutting or that of their maker or related activities, the mill...Paper names like company's strategy for the LumiNova, LumiData, foreseeable future does not LumiWrite, LumiPrint, preclude such a move. foreseeable future does not

Pentti Rautalahti comthe single-coated, soft cal-endered lightweight Lumi-together form our largest export sales area and offer the most growth potential in the 1990s. In fact, we see Europe as our home market for the future.

"We have quality, consistently, is one productive pulp and paper factor contributing to mills that are as good as making and keeping a new: three up-to-the-market. Given that the minute pulp mills and four price is competitive, deliv- completely renovated paper ery on time and with the machines, with another on minimum of damage, along the way for fine paper with efficient back-up manufacture in the early service, counts for a great 1990s. And we have a good deal in maintaining reputstion for service and

> "We feel able to face the structure future with confidence."

# tese. Britain when Labour was in govA series of protests is being ernment would be spoilt if the planned, with the first due to visits went ahead, he added. Portuguese doctors go on strike

the claim that some of the visit-ing warships, including Ark Royal, Edinburgh and two sup-

AN UNPRECEDENTED weeklong strike by Portuguese association, in their battle prescribe whatever the ministry association against Ms Beleza whom they against Ms Beleza whom they decides is "excessive" treatment.

Ms Beleza refused to see the unions, saying they were "run by growing controversy over Ms

Her relations with state hospitals. The lease a health minister who provide most of see the Order of Doctors by the

voted to withhold all but minimal rise for six years. emergency services this week include the large Independent Medical Union. Eighty per cent of the union's members voted for the ruling Social Democrats

They are backed by the Order

growing controversy over Ms
ILEODOT Beleza, a health minister
whose abrasive personal style
recalls that of her UK counter
part Mrs Edwina Currie.

The relations with state hospital doctors, who provide most of the country's medical care, are at leaders say ber intransigence hampers any solution. Hospital over-privileged. They counter by hampers any solution. Hospital over-privileged. They country they have not had a pay The doctors' unions which saying they have not had a pay hampers any solution. Hospital nurses and other workers are

Hostilities reached a head action.

when Ms Beleza proposed to the general hospital doctors exclusis not only bostile but sursively to the health service for rounded by incompetents igno-

The minister also wants doc- an inefficient system.

Yesterday Dr Mifsud Bonnici

now threatening to join future

four years without secure tenure rant of how hospitals work. Ms Beleza insists she is rationalising

# China hit by hi-tech staff poaching

A DISPUTE between China's best known high-technology company and a state-run research institute over the alleged poaching of researchers and their work is likely to force the Government to define more precisely the limits of the fast-growing non-state enterprise sector.

equipment, faces court action folequipment is said to have been approved by government minisposite in approved by government minisposite in

Corporation, lauded by the official media as a model for non-cial media as a model for non-state enterprises and already exporting sophisticated printer the fan stone announced the days after the fundate the fan stone announced the days after the fundate the fan stone announced the days after the fundate the fan stone announced the days after the fundate the fan stone announced the days after the fundate the fundate the fundate the fundate that the fundate the fundate

office in the plush white suburb

of Sandton, less than 5km hut worlds apart in life-style.

is serious about edging towards a power-sharing democracy.

nary workers who can ill-afford

the loss of three days' pay and who face the agonising risk of losing their jobs, Mr Dlamini con-siders himself fortunate.

Last week be talked to his fel-

vate, multi-racial school.

tions but bans parties the PPP

may still participate.
The PPP refused to take part in

the non-party elections of 1985

but this time Ms Bhutto believes

they can no longer afford to leave

"If elections are held, though not the type we want, we will be in the embarrassing position that

Compared to millions of ordi-

The conflict has arisen in a budding "Silicon Valley" to the north-west of Peking, where about 150 technology corporations have opened in an area renowned for its universities and institutes, and now designated hy the Government as the front line of China's high-tech development.

sioned by the Ministry of Culture to design advanced printing technology and then assigned the design work to the two research easign work to the two research in late 1986, when the research was allegedly nearing completion and after the ministry and the institute had invested almost \$5m of state funds. sioned by the Ministry of Culture

But the most successful of those In July last year, both the insti-technology companies, the Stone tute and Stone announced the

Black, rich and torn between

two South African worlds

BY ANTHONY ROBINSON IN JOHANNESBURG

MR PHILIP DLAMINI (not his tion Board, sick at beart with their lives," he says. "If I lose my

deny them the right to live or

She is angry with a Govern-ment which imposes such bumili-

came from Botswana, although

she was born in "Alex".

To be black and middle class

cion; on the other, the Govern-

ment just does not notice the

existence of people like us who want to better our lives."

Mr Dlamini, who often works weekends, slipped out of the township to go to his office in the

afternoon for an important pre-

sentation to clients, despite have been forced by management to take leave. He feels angry that

is not as simple as that.

"If they don't go to work they reservations, reflects deep black really risk losing their job. But if anger at the suppression of politithey go to work they risk losing cal rights and white insensitivity.

Bhutto may enter poll 'on Zia's terms'

we will fight on your rules."

She added, bowever, that non-

Zia's administration was put in stated dislike of parties, which he over Afghanistan," she said in Islamahad. "He kept saying the Soviets must go, but, once they were going, he was almost in the Despite the Freshdent 3 of In elections.

Formed in 1981 to press for elections, the MRD consists of evil," Ms Ebutto believes that Gen Zia will hold party elections parties, and has rarely met with out quarrelling.

Despite the President's oft- for elections.

real name) is black, middle class having to deal with the suffering and, like millions of other black caused to black people hy the workers, decided to stay away tangled maze of racist laws that

(\$7,000) bome in the smartest sections and says she would like to tion of Alexandra township to his leave South Africa. Her father

He is the kind of person Pre-toria needs to get on its side if it is serious about edging towards a own people view us with suspi-

Last week be talked to his fellow black employees at one of South Africa's largest advertising tompanies and they all decided the white management do not to stay away, thereby losing understand the pressures which three days of their annual leave.

The key factor in his decision was concern for the safety of his wife and two children. "The situation to chents, despite have sentation to chents, despite have been forced by management to them to chents, despite have been forced by management to the stay and the feels angry that companies and they all decided the white management do not to stay away, thereby losing understand the pressures which make complying with the stayaway action. He approves the safety of the

ation in the township is so vola- of what the unions have done to

tile that being seen to go to work improve the bargaining power

could single you out even for the and dignity of workers and settling of personal scores." and respects them as the sole legiti-

settling of personal scores. respects them as the sole legiti-His wife, Mrs Lucky Dlamini, a mate channel for facing up to the

social worker, also decided to white power structure.

stay away and not to take her five-year-old daoghter to her priunion leaderships treat often illit-

ate, multi-racial school. erate workers as pawns, exposing Stated haldly thus, it would be them to the loss of their jobs.

easy to conclude that the Diamini Those most at risk are in small

family has been co-opted into the companies with a couple of white system, putting their personal managers, a handful of ladians concerns before "the struggle". It and half a dozen black workers.

from work yesterday.

He has a good job as an advertising executive and usually commutes every day from his R21,000

Manuel of Parist law deny them the right to work where they wanted.

She is angry with a commutes every day from his R21,000

ment which imposes such

depth of intellectual property rights. If Stone wins, poorly paid specialists at universities will be expects more tempted to accept the better \$135m.

ple's Court - no hearing date has been set - comes only a few days after the founder of Stone,

job there are plenty of companies who would snap up my skills and

besides, training my successor

would cost time and money."

Ms Maud Motanyane, editor of
Tribute, a glossy, monthly magazine whose advertisements, black
society column and often hardhitting relitiest and social fea-

hitting political and social fea-

tures mirror rising black aspira-

tions and concerns, agrees that it is the cleaner, the typist and the ordinary assembly line worker who are more exposed than middle-class blacks.

But she emphasises: "The fact that you have a job does not

mean that you are exempted from apartheid. You are still

exposed to the Group Areas Act, you can still be humiliated in a restaurant, you are continually reminded of our apartheid society. The strain and the schizophrenia comes from continually lights between two world?

Meanwhile many of the thou-sands of blacks who did turn up

for work yesterday avoided returning at night to the town-ship by cramming into the tiny

rooms of maids or gardeners in white people's back gardens.

Others stayed with the many black people who now live, in

defiance of the Group Areas Act.

in de facto mixed areas such as Johannesburg's Hillbrow.

ence to a protest which, despite reservations, reflects deep black

army and President.

living between two worlds."

during the Cultural Revolution two decades ago, founded the collective company four years ago, and, with the blessing of the Communist Party, it has grown from seven staff to 700, and appears a turnover this year of expects a turnover this year of

specialists are supported to accept the better salaries and conditions of collective or private companies, but if the institute is successful, the policy of encouraging such companies will be badly bruised.

The announcement of the case brought in the Intermediate People's Court — no hearing date the property of the company is just what the new China needs. (Stone is the official English name, though in Chinese, it is Sisong, an abbreviated form of the saying "expand in all

#### **Debtor countries** disagree on cartel move

By Richard Gourley in Manila FOURTEEN countries, which

together account for \$254bn or a fifth of developing country debt, have backed away from setting up a debtors' cartel because they disagree over how strongly they should confront their creditors. Delegates from these debtor countries, including Brazil, Argentina, the Philippines and Pern, instead noted after a conference of newly restored democ-racies in Manila, that servicing debt should be "compatible" with

"the responsibility of promoting development".

The conference was organised by the Philippines for countries which have restored democracy within the last 15 years to discuss the problems they have faced during their transitional periods. Mr Vicente Jayme, the Philip pine finance secretary, said that the lack of "adequate responses" from creditor countries, multilateral institutions and banks is for cing debtor countries "to exam-ine more radical options". The main opposition to a debt-

#### has imposed a one-year deten-tion order on Mr Francis Seow, a former Solicitor General who is accused of subversive contacts with US diplomats, but has said it will release him from prison to run as a candidate at the next general election. Mr Seow is at the centre of a

diplomatic row between Singa-pore and the US. He is alleged to have sought the promise of asylum in the US if his attempt to become a member of parlia-ment ran into problems. Mr Mason Hendrickson, an

**Singapore** 

to stand

By Roger Metthews in

frees lawyer

in elections

THE SINGAPORE Government

American diplomat who had met Mr Seow on several occasions, was ordered to leave Singapore a month ago for allegedly encouraging the Singapore lawyer and other professionals to run as candi-dates in the next election. Mr Hendrickson is claimed to have said that money

should not be a problem for the group, a comment which provoked speculation among some ministers that US govcrament funds were being channelled into mounting an opposition challenge.
However, following interregation of Mr Seow who was arrested a month ago and can be held indefinitely without

trial, the Government said that it had no proof Mr Seow had received US government funds to pay his debts. Details of his financial affairs were made public at the weekend. The Government said that Mr Seow's release from prison will be conditional on him not

associating with foreign diplo-mats and not travelling abroad without the permission of the Internal Security Department. Mr Lee Kuan Yew, the Prime Minister, suggested to the US last week that an independent tribunal should be set up to assess whether American diplomats had been interfering in Singapore's domestic politics.

#### ors' cartel came from Brazil. Shamir and Shevardnadze to hold New York talks

BY OUR MIDDLE EAST STAFF

THE rapprochament between the ence as the framework for them, Soviet Union and Israel may which is supported by the US, the forcing blacks to live in township glectices, which ensures the effectiveness of peer group pressures and intimidation.

It also ensures massive adhertically special as a variest which despite.

THE rapprochament between the ence as the framework for them, Soviet Union and Israel may which is supported by the US, the move a stage further when Mr Yitzhak Shamir, the Israel President Foreign Minister, in New York during a special stage of the control UN session on disarmament.

Mr Shamir announced the meeting with Mr Shevardnadze yesterday just before leaving for the US and will be the highestlevel contact since Mr Mikhail Gorbachev took power in Moscow three years ago. Diplomatic rela-tions were broken off in 1967 fol-

MS BENAZIR BHUTTO, leader of position of saying 'Do not go.'

Pakistan's Opposition People's Similarly, we have a very difficult choice of boycotting the Party (PPP) has said that if President Zia goes ahead with electron of the control of the co We have a lot to say to each other. Our discussions will focus on the attitude of the Soviet Union towards regional issues, including Israel and the Middle East, the lack of normal relations between us and the Soviet Union and the problem of the Soviet Jews".

She added, bowever, that nonparty elections are no solution
for Pakistan's problems. "Pakistan has been plunged deeper and
deeper into a crisis. We cannot . . . go on experimenting
with non-party elections or emergencies."

The Movement for Restoration
Of Democracy (MRD), an
of personal Yet their exchanges could be abrasive because of the deep differences over approaches to a Middle East peace negotiations mented that he did not see that and, in particular, the proposal the documenty showed any for an international peace confer- change in Moscow's policies.

"Let's be sober and open-eyed. Our fate and future will not be determined or decided in Wasbington or Moscow but Jerusa The Israeli Premier regards a

Middle East conference as part of a plot to force Israel to withdraw from the occupied West Bank and Gaza Strip, both of which he and the rest of Likud hiic in the coalition government insist will be under Israell sovereignty for

Nevertheless, a Soviet document published a fortnight ago in the Israeli newspaper Maariv and presumed to have been leaked by Mr Peres's aides said that none of the participants in a peace conference "has the right to impose decisions on other participants".

Mr Shamir subsequently com-

#### Shultz says Palestinian state is 'unworkable'

MR GEORGE SHULTZ, the US think it's much more workable to Secretary of State, yesterday dis-think of a grouping of people that missed the idea of setting up an has a relationship, a confederaindependent Palestinian state as tion or an attachment, to another unworkable, Reuter reports from state or states.

He was speaking to internathat does not lessen the fact that tional television networks and you have more control over the radio stations before meeting conditions in which you live

Gaza."

Mr Shultz, paying his fourth visit to the Middle East to promote US proposals to end the Arab-Israeli conflict, held three hours of talks with Mr Assad before leaving to return to Cairo.

"That's more workable. But

President Hafez al-Assad of Syria The situation in the Middle to discuss Middle East peace East was becoming increasingly

efforts.

Asked if the US would agree to "There are very difficult proban independent Palestinian state, lems don't go away and we feel Mr Shultz said: "Personally I there are opportunities being think that is unworkable and I missed." Debate has concentrated on

look.

It just does not make any sense to me to think there could be a workable state thet was like a country on the West Bank and Mr Shultz, paving the state of the look of the look.

Mr Shultz, who earlier had talks with leaders in Egypt, Jordan and Israel on the US peace plan, has sounded increasingly pessimistic about the success of his mission. Before Syria had before the look of the look.

Mr Shultz, paving the look of the look of the look of the look.

Mr Shultz, who earlier had talks with leaders in Egypt, Jordan and Israel on the US peace plan, has sounded increasingly pessimistic about the success of his mission. Before the look of the look of the look. been no breakthrough on the US initiative.

His tour comes just before Arab leaders meet in Algiersto-day to discuss ways to support On the future of the Palestining in the Israeli-occupied West ians, he told the broadcasters: "I Bank and Gaza strip.

#### West Bank schools open

THOUSANDS of Palestinian teenshut all schools in the West Bank during the height of the uprising four months ago, AP reports from Jerusalem. Pupils threw stones at soldiers outside one school, a witness said.

To queil violent demonstrations. The Israeli newspaper Haaretz staid the bullet was lighter than a steel bullet and designed to travel slower and be less apt to penetrate skin when fired from a structure and philosophy would make such a process very difficult.

The military, meanwhile, said agers returned to classes yesterthe army was experimenting day for the first time since Israel with an aluminum bullet for use shut all schools in the West Bank to quell violent demonstrations.

# French awarded FFr 3bn Saudi defence contract

THE FRENCH arms industry has owned aerospace group.
won an order worth about FFr
3bn (£288m) from Saudi Arabia with Exocet missiles manufacwon an order worth about FFr 3bn (£28m) from Saudi Arabia for helicopters equipped with Exocet missiles and patrol ves-sels for coastal defence.

The French state arms export company, Societe Francaise d'Ex-portation de Systemes d'Armecompany, societe Francaise d'Exportation de Systemes d'Armements (Sofresa), confirmed the
order had been signed, but
declined to give details.

The new order is understood to

The order is weithing the
french arms industry which has
suffered a decline in large
defence export contracts in
recent years, especially from its
Middle East customers.

tured by Aerospatiale. There were no indications on how many patrol ships France would sup-The order is welcome for the

declined to give details.

The new order is understood to inclinde about 12 Super Puma helicopters manufactured by Aerospatiale, the French state-

won by the French defence indus-

These included the FFr 11bn contract in 1980 for the Saudi Arabian navy followed in 1984 by the FFr 30bn deal to supply an anti alreraft defence eystem France had lost out to the UK in 1986 for a Saudi Arabian combat aircraft contract.

Takeshita to

seek closer

ties with

**Brussels** 

By William Dawkins in Brussels

MR NOBORU Takeshita, the

Japanese Prime Minister, is expected to press for closer economic and diplomatic co-operation with the European Community at his first meet-ing today with Mr Jacques

Delors, President of the Euro-

pean Commission.

Japanese officials stress that

Japanese officials stress that the main purpose of the discussion, which takes place in Brussels on the last leg of Mr Takeshita's European tour, is to explain the Importance Tokyo places on improving economic ties with Europe to balance ties links with the markening economic newer of

#### US protests to Israel over trade pact 'infringement'

Free Trade Agreement. The complaint came on the eve of this week's six-monthly review of the three-year-old pact, Andrew whitley reports from Jerusalem.

Mr Thomas Pickering, US Ambassador, presented a letter to Mr Ariel Sharon, the Trade and Industry Minister, complaining about Israel's adoption of "artificial steps and arbitrary taxes" scheme - as early as possible.

This is seen as a prerequisite for the ratification by the Euroexpensive.

THE US yesterday delivered a protest to Israel over alleged naily taken up by the European Israeli infringement of a bilateral Community to secure the abolifier Trade Agreement. The comtion of a controversial import

for the ratification by the Euro-

reacted angrily, saying he would not permit the US to exert economic pressure on Israel. It was his duty to protect Israeli mannfacturers, an aide said.

for the ratification by the European parliament of a blocked agricultural trade protocol with largel. However, the approach of general elections reduces the chances of any solution before 1989.

# ABB, Rolls-Royce to link up in gas turbine venture

ABB, the Swedish-Swiss electri- according to Brown Boveri ABB, the Swedish-Swiss electrical engineering group, and Rolls-Royce of the UK are to collaborate in developing industrial gas turbines, William Dullforce reports from Geneva.

Under a 15-year agreement slgned in Amsterdam, Rolls

signed in Amsterdam, Rolls Royce will apply on a contract basis its aerodynamic technology, acquired in the production of jet engines, to Brown Boveri's large-scale compressors and turbines.

the US. One will make and mar ket steam turbines and genera tors for power plants. agreement

engines, to Brown Boveri's large-scale compressors and turbines.

The agreement allows for joint marketing at a later stage, equipment.

# Tokyo shares F16 deal

JAPANESE defence contractors will take charge of most of a joint US-Japan project to design an advanced jet lighter based on the McDonnell-Douglas Corp MD F-16 aircraft, the Japanese Defence Agency said, Reuter reports from

Mr Frank Carlucci, US Defence
Secretary and Mr Tsntomu
Kawara, Defence Agency director
agreed on the project, worth
about 35.5bn (£3.5bn) in design

The fighter, codenamed FSX, is expected to feature advanced avionics and the latest weapons systems.

Japanese companies would manage about 60 per cent of the project, including radar and other electronic devices, while US groups will focus on the engines as subcontractors.

#### weakening economic power of the US. Mr Takeshita will also be aiming to prepare some com-mon ground with the Commis-sion President for the Toronto summit of Western leaders in Underlying today's talks will

be the growing trade tensions between the EC and Japan. These were underlined only 10 days ago by the Commission's decision to slap anti-dumping duties on \$1.3bn-worth of imported Japanese computer printers, followed last week by the opening of an anti-dump-ing inquiry into earth-moving valuties.

After talks between the Japanese leader and Mr Delors, the meeting will be joined by Mr Willy De Clercy, European Commissioner for external trade, who wants to discuss several specific problems, including Tokyo's partial decision to reform taxes on alcohol as demanded by a General Agreement on Tariffs and Trade disputes panel.

Other subjects on the Com-mission's mind are the recent Japanese agreement giving the US access to big public works projects and allegedly discrim-inatory local car taxes.

# Air travel curbs ripe for inclusion in Uruguay Round

SINGAPORE Airlines is by common consent an airline on which businessmen like to fly. But you cannot pick it up for a journey from Chicago to Miami.

British Airways likes to call itself "the world's favourite air-line", but, even if it wanted to, it would not be allowed to fly between Rome and Tunis. Except for Scandinavian Airlines, almost no multinational companies oper-ate in international air transport.

These are all illustrations of the restrictive nature of the international air travel business — a sector ripe for inclusion in the current Uruguay Round of multilateral talks on liberalisation of trade in services.

Yet, it will be a difficult one to tackle - for reasons that could have a bearing on the overall outcome of the entire negotiation.

So far, the Uruguay Round debate on trade in services has been mainly driven by sectors such as banking, insurance and accountancy, lobbying hard for liberalisation as a means of pris-ing open access to foreign mar-

finding ways in which traditional Gatt rules on trade in goods can be applied multilaterally to these types of services. Suddenly, tha International

Civil Aviation Organisation (ICAO), the Montreal-based body which governs air transport, has thrown a spanner in the works. In a deposition to the Gatt, it has shown that what many had begun to assume should be stan-dard criteria for liberalising trade In services cannot easily be applied to this sector.

By some accounts, to do so would require rewriting basic

principles on which air transport has operated for the past 44 years, a task that would in turn involve negotiation potentially as

Enshrined in its charter is the to their own national airlines. legal principle that countries are entitled to regard the airspace above them as part of their sovereign territory.

Over the years, its 158 mem-bers have negotiated more than 1,800 bilateral air service agreements, covering fares, route des-tinations, and designating air-lines that may operate them. A common provision of such agreements, "is that the desig-nated airlines of each party must

Suddenly, the International Civil Aviation Organisation has thrown a spanner in the works, Peter Montagnon raports

be substantially owned and effectively controlled by that party or This reveals two important obstacles to liberalisation along the lines being discussed by Gatt.

If the airspace above a country is sovereign territory, that country has a legal right to deny market access to other-country nationals.
If designated carriers have to be owned by one or other of the signatories to a bilateral air ser-

signatories to a hilateral air ser-vices agreement, third country airlines are a priori prevented from exploiting the route. In other words, there can be no free international competition. A revealing part of the ICAO's paper discusses some concepts Gatt is trying to apply to trade in services. These do not mesh with its own intricate structura

its own intricate structure.

Take the core concept of mostfavoured-nation treatment under
which a trade concession made to
one country — which in the case
of air transport would be the
right to the previous process. right to fly a particular route —
has to be available to everybody
else. This concept does not
appear in the Chicago Convention which forms the ICAO charter. A multilateral approach to

regulating international air transport was tried when the Chicago Convention was under discussion in 1944, the paper explains, but was blocked by Britain and smaller countries worried about the implicit threat

Now, multilateralism "in the sense of a multilateral exchange of rights, and for governing capacity and tariffs, is no longer under active consideration".

All this is a headache for international trade negotiators trying to establish a framework argreement of principles for liberalising trade in services that could be applied generally to all relevant sectors. Ideally, such a frame-work should include language that could be made to apply to

One option might be to include language calling for gradual lib-eralisation through increased competition - a theme on which the Chicacgo Convention is silent. Another might be to allow air transport to be one sector excluded from the general framework on services.

Airlinas have shown little interest in the Gatt talks, but agreement in Gatt to ignore the industry might be hard to reach, since some large airlines would almost certainly be reluctant to

almost certainly be reluctant to forego the chance of a lever to prise open the potentially lucrative US domestic market.

The European Community's difficulty in liberallsing its own internal regime ahead of the single market in 1992 was again highlighted last wack with the complaint by Aer Lingus over italy's refusal to allow it to fly to Milan via Manchester.

Some countries have begun to

Some countries have begun to favour increased competition, but, according to the iCAO, "many other states continue to view air transport in terms of a public utility role and to regard their national airline as a neces-sity for national development".

How to reconcile this view with the broader desire to liberalise trade in services has emerged as a new challenge for the Gatt.

Gatt negotiators know at agreement to liberalise interna-tional trade in services failing to cover a sector as large as air transport would hardly be the breakthrough they bave been

# You're COMPLETELY OUTNUMBERED.

There are two and a half staff for every guest at The Regent Hong Kong.

Two and half reasons, why you may well come to consider it one of the world's greatest hotels.



ALICKLAND, BANCKOK, BEVERLY HILLS, CHICACO, FIR HONG KONG, KUALA LUMPUR, MELBOURNE, NEW YORK, OKPVAWA, STONEY, TARPE

(0800)282-245

Financial Times Tuesday June 7 1988

ita to

0Ser

r trade team
t trade team
t and tag
t criticel ents
the Community
ap outsides;
t the cont t

and less weeks

d un arbet

tectures that and Mr let add to year

Ciries, fatte

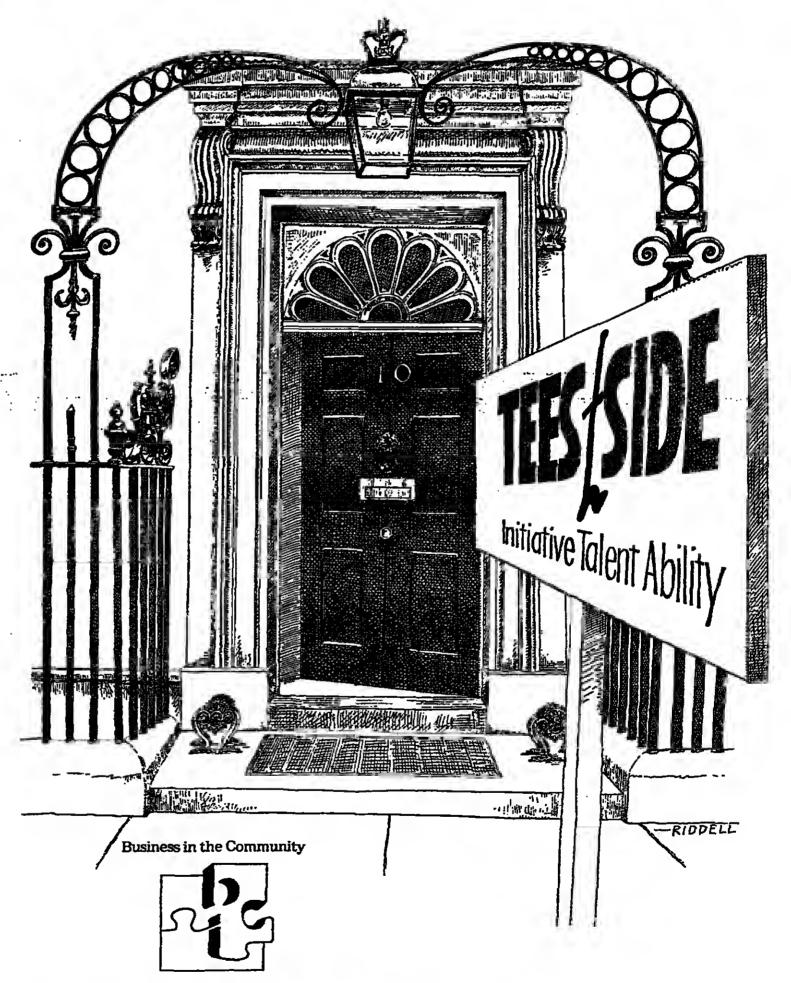
OF

ound

# TESSIDE ATN910

# Teesdale – Another Teesside Initiative

Last night over a hundred top industrialists and businessmen went to Number Ten Downing Street. At a reception organised through Business in the Community they heard the Prime Minister announce Teesside's latest initiative in its drive for renewal. The Teesdale Initiative - a multi-million-pound project to bring new life to both banks of the Tees. New business facilities, new homes, new specialist shops, new leisure opportunities, new roads - new jobs. An imaginative partnership between the Teesside Development Corporation, Murray International and a consortium of developers and financial institutions. The Teesdale Initiative - generating a £110 million investment opportunity. Starting in July. Another Teesside Initiative to join the compelling range of initiatives that the Development Corporation has launched during the past nine months - and in which the private sector is an enthusiastic participant. 'A Marina and Much More' at Hartlepool. The Tees Offshore Base, a world centre for subocean technology. The redevelopment of Stockton racecourse as a major sports, leisure and retail complex. The partnership with British Urban Development to create the European Chemical



'We are setting out once again to be ahead of our time...
...where you have initiative, talent and ability, the money follows:

The Rt Hon Margaret Thatcher, Prime Minister, Teesside, 16 September 1987



# **Front-runners** face last US primary tests

BY LIONEL BARBER IN WASHINGTON

THE FINAL round of US presidential primary elections will in California over the past year, open today with both the Republican and Democratic ootcomes tal and energy issues such as looking like foregone conclu-

Governor Michael Dukakis of Massachusetts is aiming for big wins in delegate-rich California. had to undergo surgery on her and New Jersey to wrap up the Democratic presidential nomination. Vice-President George Bush is certain to be the Republican Mr Dukakis's absence allowed his sole remaining rival for the Democratic nomination, the Rev

Mr Dukakis already has about 1,800 of the 2,081 delegates needed

how Mr Bush and Mr Dukakis perform in California, which could prove a pivotal state in the November presidential election.

Some political strategists say it time at his summer home at Kenwill be difficult for Mr Dukakis, a liberally inclined governor from a was to confer with advisers, less north-eastern state, to capture publicised was the matter of the White House without winning California, which has 47 of early primaries has left the usu-

expand off-shore oil drilling. Last week, however, he cut his cam-

esse Jackson, to step back into the limelight after a series of big losses in primaries. Mr Jackson is Democratic convention in Atlanta next month. Some 466 delegates are at stake today in California, New Jersey, New Mexico and Montana.

The focus is likely to be on how Mr Bush and Mr Dukakis. cratic vice-presidential spot?

Mr Bush has also been taking e the 270 electoral college votes ally well-heeled Mr Bush short of needed for election.

in the listed and unlisted sectors and we have discovered that nothing

succeeds like success.

# Cancer surgery for Duarte today

Duarte of & Salvador in an attempt to slow the spread of what may become a fatal cancer.

Mr Duarte was admitted last Tuesday to e Washington military hospital with a bleeding stomach ulcar of which he had begun to complain 10 days before. This was diagnosed as a cancer of the stomach which is reported to have spread to the lungs. In private, officials are intimat-

ing that the president might live only a matter of months.

However, Mr Duarte, aged 62, is nothing if not a fighter, and he is expected to wish to exercise his office as long as possible.

Presidential elections in El Sal-

A TEAM of surgeons in Washing- Well before the revelation of his with the FMLN left-wing guerril- ton is expected to operate today illness, he had begun to look like las. However, much depends on president Jose Napoleon a lame-duck leader, with his whether Mr Duarte will be per cent of the 1987 harvest, is onliged to pass on the presidency mainly due to a two-year drought in much of Central America.

Mr Duarte was admitted last the vests was admitted last the vests was admitted last.

The US Government has relied Arena is openly advocating a

The loss of prestige by him and the party was demonstrated in the March parliamentary elections. The Christian Democrats lost their majority in the 61-seat parliament, being spectacularly or parliament, being spectacularly or competence of military aid to combat the mine-year guerrilla insurgency. The political ascendency of Arena, whose leaders have been associated with right-wing desth squads, is embarrassing to the just conceivable that Mr Duarte's

move to free market economics. Mr Alfredo Cristiani, the Arena candidate for the presidential election and a big grower of cof-fee, has said that his economic programme is to "roll back the State, liberalise the economy, pri-vatise land ownership and effect radical changes in the coffee

However, Mr Duarte, aged 62, just conceivable that Mr Duarte's is nothing if not a fighter, and he is expected to wish to exercise his office as long as possible.

Presidential elections in El Salvador are due early next year.

Against this cackground, it is US.

At least a third of the economically active population is unemployed. Likely cuts in the seasonal labour required for the worst office harvest, which could plunge the country into economic problem more acute.

# Prospects bright for final peace accord in Nicaragua

Leaders of the Nicaraguan Resistance, the Contra umbrella organisation, are to meet government officials from today until Thursday in Managua. This will be the fourth session held in the Nicaraguan capital to negotiate an end to the 6½-year civil war.

After the last meeting, the government today. an end to the 6%-year civil war.
After the last meeting, the government accepted most of the Contras' political conditions for laying down their arms.

Roth sides have been blustering publicly for the past few days, but are now saving they

days, but are now saying they expect an agreement which will mark substantial progress, if not a final armistice.

A PEACE accord by the Nicaraguan government and the Contra
rebels is near as the two sides
enter the a fourth round of talks
today.

Leaders of the Nicaraguan
Resistance, the Contra umbrells
organisation, are to meet government officials from today until
Thursday in Managua. This will
be the fourth session held in the

Some hard bargaining still remains. The Contras want a calendar for the main political actions they want in exchange for giving up their weapons. Among their demands are the separation of the ruling Sandinista party from the Micaraguan army, a private channel on the State television system and a thoroughly independent judiciary and electoral commission.

# Venezuelan business fears sharp downturn

THERE ARE increasing signs new initiatives.

Venezuelan husiness is worried inflation last year.

that Venezuela's economy is heading for serious problems over the next 12 to 18 months. Hence there is sharp pressure on President Jaime Lusinchi, with only eight months left in office. ised labour is pressing for wage benefits to offset the 40 per cent

The country has suffered a drathat no big economic decisions will be made to ameliorate the situation. A new government will rency reserves some economics. take office next February and the have warned that the balance of current administration seems payments deficit this year could reluctant to offer any significant 'go as high as \$4bn. Businessmen

who rely on imported raw materials are worried that they will be forced to close their operations as this government or the next tries to conserve foreign exchange reserves by restricting supply to the private sector.

In en interview published this week in the Wall Street Journal. Mr Hector Hurtado, Finance Min-ister, said the Government will seek \$2bn in new credits overseas and will ask for softer terms on

However, only last week he said discussions about possible new talks on foreign debt were "s closed chapter" for this govern-ment, thus perpetuating the administration's line that it does not want to open new negotia-tions. Moreover, international bankers in Caracas say that, aside from some new trade cred-its and \$300m in bonds that the Government wanted to place at the end of last year, banks have received no requests from the Government for large loans.

Many would like to get rid of the rebels, says Robert Graham

# Contras become liability to US

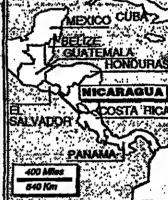
FRIENDS EVAPORATE in Washington when a cause begins to look like a loser. This syndrome is affecting the Contra rebels, President Reagan's "freedom fighters," who will arrive in Managua tomorrow for the next scheduled round of peace talks the Sandinista Government in

Nicaragua.

Deeply divided, militarily emasculated by the refusal of Congress to renew aid, and con-stantly out-witted by the Sandinistas in propaganda and nego-tiation, the Contras have become a liability. In the final months of the Reagan Administration the Contras look like unsold stock in a showroom about to change

"Most people would like to get them off the shelf before the next administration," commented one

Only a rump of the hardline ideological right still enthusiasti-cally supports them. Such support is no longer founded on the



prospect of the Contras spear-heading a movement capable, as-once hoped, of overthrowing the Sandinistas. The motives are

Sandinistas. The motives are more cynical and self-serving.

The Reagan administration invented the Contras to wage war by proxy against the Sandinistas and against a broader ill-defined threat of a communist beachhead in Central America. So work of the President's personal much of the President's personal prestige has been invested in this crusade that formal abandonment of the Contras would pro-foundly damage Mr Reagan's standing and would imply, on the logic of his own geo-strategic schema, thet communism had

won out.

Since the cut-off of congressional funding for "lethal" aid, the and US public opinion. On this public relations front, the San-dinistas have shown they know peace process so far that it will cannily well how to concede enough to appear reasonable.

They have seed was a break occurs it clearly off, or if a break occurs it clearly off.

These concessions were made in the presence of the Contras' military commander, Col Enrique nised US etrategic interests in Bermudez, who had previously stayed away from the talks. He has been viewed in Managua as public enemy number one public enemy number one being left alone — or preferably having economic sanctions lifted and country-to-country aid because of his very public associ-ation with the Somoza National

Post Code

nt can go down as well as up and pas

You should note that the value of your investme performance is no guarantee of future performs

can be extended formally or informally by at least another 30

days. The ceasefire has worked against the Coutras. The congressional ban on military aid has curtailed resupply flights by the CIA over Nicaragua. Meanwhile the Sandhistas have effectively blocked the distribution inside Nicaragua of direct humanitarian aid (\$17m approved by Congress), Leaders of the 10,000-strong Contra force inside Nicaragua, for their part, have been reluctant to move into recognised ceasefire zones for fear of being vulnerable

should the ceaselire break down.
As a result, as many as half of
the Contra troops have been obliged to return to rear bases in Honduras for food, pay and supplies. Morale is reported low, end three weeks ago some of the troops virtually mutinied demanding the dismissal of Commander Bermudez. In contrast Sandinista troops have rested. been resupplied and consolidated positions, especially along the Honduran frontier where, just prior to the March cassaire, Contra forces were dealt a major

Thus the longer the cea holds, the more complex it will be for the Contras to resume bossuch action is likely to be among a war-weary population acclima-

tising to peace.

Demoralised and uncertain of their post-Reagan future, the Contra leadership is badly split. US officials are constantly being called to paper over the differ-ences or act as intermediaries between one faction and another. Military men like Bermudez see little space for themselves in a Nicaragua dominated by the Sandinistas, and would prefer to fight on regardless. Other leaders like the more liberal politician, Mr Alfredo Cesar, favour ful negotiation on the grounds that Sandinista concessions have opened a new political process. Washington has manoeuvred him into the main negotiating spot, pushing aside the less present-able Mr Adolfo Calero, who has been the principal political figure for the past three years.

Mr Cesar is calculating that the next US administration (Democratic or Republican) will be looking for a credible figure inside Nicaragua as e counterbalance to the Sandinistas: he wants to be that person.

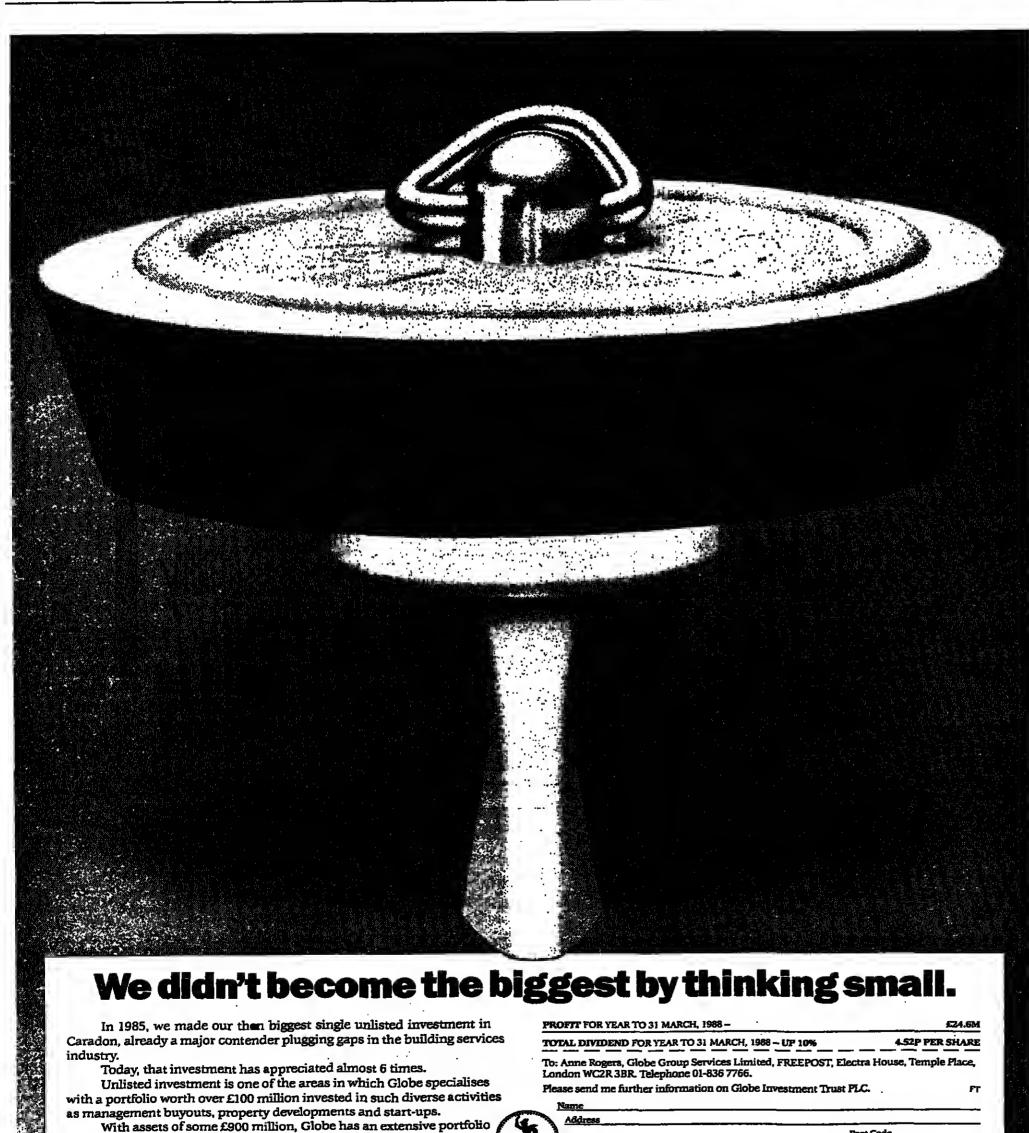
However, there is little love Reagan administration has lost between the internal opposition, who have stayed on inside intimidate the Sandinistas, who are genuinely suxious to end a those politicians who sweated out debilitating seven year-old conclict the threat of renewed militations are in the Contras have the contrast to the Contrast have the contrast the contrast have the contrast the contrast the contrast the contrast have the contrast the tary assistance to the Contras yet to identify their constituency should the Sandinistas misbehave. However, the Sandinistas prominence. The Sandinistas are leadership is acutely conscious still insisting that national recontrations with their battle has always ciliation must be with all sectors. been in Washington for the the internal opposition and the hearts and minds of Congress Contras.

cannily well how to concede enough to appear reasonable.

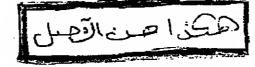
They have eased press restrictions, initiated a political disclosus with the 14 parties of the internal opposition, and have accepted direct peace talks in Managua with the Contras, something which President Daniel Ortega not long ago refused to condone. Again last week, in the third round of these peace talks, further concessions were forthcoming, including the promise of "free and honest elections" and a lessening of the Sandinistas' exclusive hold over the apparatus of state.

These concessions were made in the presence of the Contras' military commander, Col Enrique Bermudez, who had previously stayed away from the talks, He resumed,
Direct talks are being consid-

President Ortega's basic aim in ered in Washington, giving Nica-ragua what one official called "a the fourth round of talks appears to be to ensure that the 60-day ceasefire, due to expire on June I, for President Reagan to swallow.



GLOBE. The world's largest investment trust.



Financial Times Tuesday June 7 1988 7

How do you find your bearings when the landmarks float?

rd

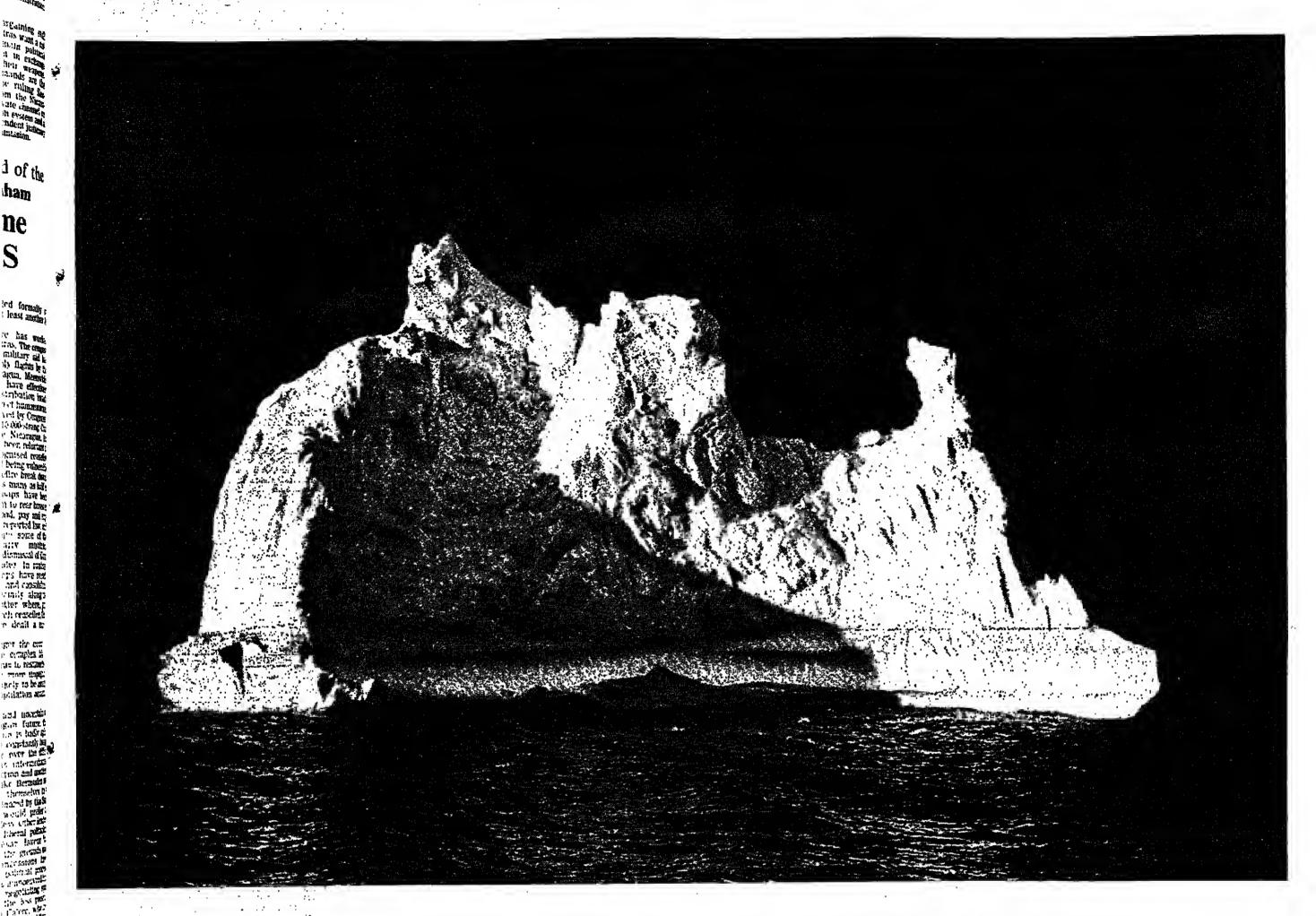
d of the ham

ne

arry moths dismuscal dis-alor to raise ers have nex

e cemples a

their to be at



In this world of floating interest rates and rapidly shifting foreign currency values, following yesterday's safe course could have grave impact on your ability to compete tomorrow.

To survive in today's global economy, businesses must learn to navigate in a highly complex, increasingly volatile environment.

At Chemical Bank, we specialise in helping businesses weather perilous financial environments. In fact, Chemical's expertise can even help your company gain a competitive edge through more efficient and imaginative management of your interest rate expense and your foreign market exposure.

Chemical's commitment and experience are respected throughout the world. We are ranked number one and two worldwide in forex forecasting and foreign exchange trading by the Euromoney Corporate Finance survey of corporate treasurers. And we're a major force among banks the world over in providing products that help protect our customers from the adverse impact of interest rate fluctuations.

As the world gets smaller, the risks loom larger. Backed by experience, technology and a large capital base, Chemical can help you chart a course based upon your particular needs now and in the future. After that, it's smooth sailing.

# CHEMICALBANK The bottom line is excellence.®

# Taking the heat out of the plastic engine

David Owen finds that a Canadian company is tackling the problems of internal combustion from a different angle

fective plastic car engine has acquired much of the aura reserved in previous centuries for the alchemist's quest for the phi-losopher's stone. Certainly, the goal has often seemed equally

Hitherto, the general spproach has been to experiment with non-metallic materials – such as ceramics – capable of withstanding the heat generated by the typical internal comhustion engine. The problem with this is that the end product tends to be

prohibitively expensive.

Now a small Ontario company, Plastic Engine Technology (Petco), believes it may be on the path to eventual success by approaching the problem from a different angle and developing an engine that runs at a much lower temperature. This has permitted the company to consider using plastic for a larger proportion of parts than is normally contem-

Petco's intention is to introduce a 3.5 hp two-stroke engine, of the type used in lawnmowers. Up to 70 per cent of the components (measured by volume) will be made of injection-moulded

In 12 to 18 months, it expects to have developed an engine with a plastic crankshaft, says Gerald McKendry. Petco's president who co-founded the company with Leon Lilley, a racing car driver of the Moss/Fangio era.

Within about 24 months, "we will have a 100 per cent non-metal engine," McKendry adds.

THE RACE to develop a cost-of. The company believes that its • The fuel mixture, coming into

technology will work all the way
up to a 40-50 hp car engine.

The Petco process, originally
developed by Lilley about 10
years ago for the US Army Signal
Corps, differs in several respects
from the conventional internal

combustion engine.

It combines a flat piston with a spherical dome head and a bore-to-stroke ratio which, the company claims, permits the maximum volume of fuel mixture in the combustion chamber.

The important distinction. Petco maintains, is that Its engine achieves substantially complete combustion at a lower temperature, allowing the maxi-mum mechanical energy to be exerted on the piston and leaving no unburned fuel in the chamber. This also means that the bulk of the new engine's exhaust consists of carbon dioxide.

The process works as follows: Fresh fuel mixture moves from the carburettor via a proprietary crankshaft control valve and passes through a hollow crank-shaft of a venturi or tube design into a bolding chamber. From here, the fuel moves through a poppet valve (timed from a rotating cam on the crankshaft) into the combustion chamber for igni-tion. it is introduced at the top of the cylinder (rather than through ports at the bottom as in conventional two-stroke engines).

In addition to virtually complete combustion, the company points to four more advantages of the design;

the top of the cylinder, halps expel the exhaust downwards through the appropriate ports and remains largely undiluted.

The turbulence produced by introducing the fuel through the venturi in tha crankshaft provides the produced by the control of the control o

vides a better petrol-air mixture.

The fuel mixture is aimed directly at the spark plug and so helps to keep it cool. Combustion occurs at a lower temperature than in a conven-tional engine because of a combination of the timing of the intake poppet valve and the location of the exhaust ports, which permits a small amount of exhaust gas to be retained in the combustion chamber by the upward move-ment of the piston. As the

exhaust gas is mainly carbon

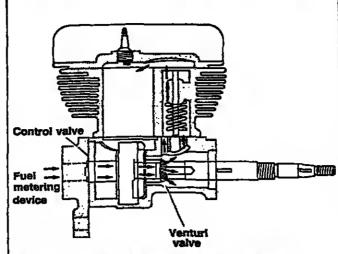
the flame tamperature in the combustion chamber and so assists in preventing detonation. In addition, the engine's flat piston results in less absorption of heat and faster dissipation through the piston, rings, cylinder wall and fins. This effect is accelerated by the use of aluminium alloys in the construction of

these parts.

tains, only a minimal amount of light lubricating oil is required

As a result, the company main-

Fuei flow within the Petco engine



lource: Petco (To protect its technology, some perts have been omitted

dioxide, when it combines with savings.
the fresh fuel mixture, it reduces The Combines

The company, which has 125 employees and is based in Kingston, is marshalling its resources prior to launching a range of five small engines on to the market when its new C\$6.3m (£2.7m) production plant is completed in the

replacement of many machinefinished metal parts by injectionmoulded plastic, also results in
considerable cost and weight
savings.

In addition, he believes, Petco
is best advised at this stage to
tackle the Japanese-dominated
two-stroke market segment, leaving the larger engine eigen ton tends to prevail - until it is better established. Overall, estimated world small engine sales total 35m units per year, valued at approximately \$2bn.

The company, which anticipates a \$2.5m loss for the year ending June 30 and is now being traded on the Toronto Stock All five engines, which range is traded on the Toronto Stock in size from 1 to 2.5 hp, will be of conventional design, though one so-called "hybrid" product contains approximately 40 per cent plastic by volume. traded on the Toronto Stock Exchange, is biding its time manufacturing 35 cc conventional diecast engines, recoil springs and a range of injection-moulded plastic by volume.

light Inhricating oil is required and wear and tear is reduced so that the product's life expectancy is "many times" that of an orthodox internal combustion engine.

According to Petco, the engine operates at temperatures approximately 50 per cent below that of a

**WORTH WATCHING Edited by Geoffrey Charlish** 

Cheltenham takes an optical leap

THE CHELTENHAM and Gloucester Building Society in the UK is to put all its mortgage files on to optical disc and has ordered a fim Megadoc system from Philips, the Netherlands-hased electronics group. To date this is Philips's largest order for its Megadoc

erty deeds and mortgage agreements on microfilm, a method it believes has become too slow to cope with growing

other storage systems, Mega-doc "offers the best value for

records, converting them into electronic signals that will be recorded by laser as tiny "pits" on the surface of 12-inch

goes digital

The digital system is for the National Nigerian Petroleum Company and makes use of 875km of optical fibre cabling. It extends from Lagos on the coast to Kaduna in the centre of the country, and will be used to monitor and control the oil company's pipeline net-work. It will also transmit speech, text, data and video

sienals. Ericsson has not revealed the value of the network, which connects 17 locations. Microwave links are used in swampy areas where cable cannot be laid. The system has a capacity of 4,000 telephone channels or their equivalent in text, pictures or data.

tres to refineries and distribu-

tion points.
There is also a direct gas There is also a direct gas link to a power station. The Ericsson system adjusts flow to the station to meet varying demand throughout the day. The Swedish company 5873 It expects similar contracts to

system.

At the moment the society keeps documents such as prop-

customer service.

According to Michael
Yeates, the society's organisation and methods manager,
who looked at a number of

In the antumn, the building society will start scanning its large number of microfilm

Staff will then be able to extract any document and, in a few seconds, call it up on a workstation screen

Nigerian company

ERICSSON of Sweden Is installing what is believed to be the largest private telecom-munications natwork in

The Nigerian network con-trols pipelines for the distribution of oil, gas and refined products from production cen-

arise worldwide and has recently won an order for a 1,500km system in Sandi Robot reaches the parts . . .

A ROBOT intended primarily for sealing tasks in the auto-mobile industry has been launched by ASEA Brown Bov-eri Robotics (formerly ASEA

Robotics) in Sweden.

The robot, of established articulated arm construction. has a long reach of more than 2.5 metres. This gives it easy access to an entire car body. It excess to an entire car stay, it has a particularly slim arm, enabling it to enter a window easily in a straight line and work in confined spaces. All the signal, power and scalant lines are contained within the

Known as the IRB 3200, the robot also has a control fea-ture that allows the amount of dispensed scalant to be kept constant, regardless of the application speed of the end of the arm along the sealing line. The robot can always return

to the same spot with an accuracy of within three millimetres.

Colour copies at a keystroke

MITSUBISHI, the Japanese electronics group, has launched a video processing unit which enables users of almost any screen and key-board computer graphics sys-tem to obtain full colour paper or transparency copies of what is on the screen.

Called the B350, the unit takes the red, green and blue signals from the graphics sys-tem and converts them to instructions that allow one of the company's thermal transfer colour printers to make a

image processing can also be carried out by the user, who can lengthen the picture along either axis, print specific sections or rotate the on-screen

A joint approach to network customers

TWO UK companies. Fibernet of Aldermaston and Eistree Computing, are joining forces to provide a service for the design and installation of opti-cal fibre and conventional

cashe system.

The service is almed at organisations planning muitinser computer networks. nser computer networks. Fibernet is a UK optical fibre transmission specialist and Elstree Computers, part of the John Laing construction group, a provider of cabling for IBM systems.

The two companies believe that, jointly, they will be able to provide savings for customers through integration of

ers through integration of their respective skills.

Dealers' new line to telex system

A TELEX system, for use in money market dealing rooms and based on personal comput-ers, is available from Business

Line of London.

Called Phoenix, the system allows access to all the com-pany's telex lines from each dealer's existing console. Alternatively a separate PC network can be provided.

If desired, an operator at a central telex console can dis-

petch messages to the appro-priate dealer's acreen and deal with transmission.

Dealers can compose telexes for transmission from their consoles, or maintain a store of easily altered, pre-written messages to suit their dealing activities.

The messages can be sent to a prepared list of regular con-tacts using a short keyboard

Work in progress on the screen is not seriously inter-rupted because when the "make call" key is depressed, a window appears in which telex instructions can be entered. "Fail safe" arrangements mean that if any workstation fails, others will still have access to telex lines.

CONTACTS: Philips Business Systems: UK, 0205 575115. Ericsson: Sweden, 8721 6565, ASRA Brown Boveri Robotics: Sweden, 2110 8000. Mitaubishi: UK, 67052 76100. Fiber-net: UR, 07356 78122. Business Line; Londer, 528, 0530. London, 378 0510.

# Laboratories look for new connections after privatisation

THE PROSPECT of privatisation has brought uncertainty to the Central Elec-tricity Generating Board's Marchwood Engineering Laboratories, which celebrate their 25th anniversary this sum-

The UK Government has yet to decide what will happen to Marchwood and its sister research laboratories, Leatherhead and Berkeley, after the CEGB generating business is broken up into "Big G" (which will have 70 per cent of capacity) and "Little G", and its transmission grid handed over to 12 area distribution companies. Derek Davis, the board member for research, says the options include keeping the laboratories - which employ 2,000 people - within Big G, or setting np a new research and development organisation.

Marchwood, near Southampton, speci-alises in heavy engineering research, 60 per cent for nuclear power stations and 40 per cent for conventional generating plant. Ken Hay, who runs Marchwood, is confident that his laboratories will thrive in a privatised environment though they may have to change their emphasis. For example, there may be more work on ways to reduce fossil fuel

Hay also expects Marchwood to sell its engineering expertise to other industries. "Our mainstream business is bound to be for the electricity supply industry, but 1 would not be unhappy if 10 to 20 per cent of our work ended up in other areas." Until now, government regulations have limited the extent to which the CEGB laboratories can exploit their work outside the electricity industry. Even so, Hay concedes that "the track

record of licensing to UK manufacturers has been very poor."

An example of work at Marchwood which could be exploited elsewhere is Warrior (standing for Welding And Repair Robot In Oldbury Reactors). The robot was developed to repair corrosion damage inside the ageing Magnox reac-

tors at Oldbury nuclear power station.

The prototype Warrior went 30 ft into a reactor earlier this year, passing down refnelling standplpes 10 inches in diameter to carry out 45 welds on the rustcracked supports for thermocouples.

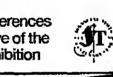
which measure reactor temperature.

Marchwood engineers say that Warrior will recoup its estimated £3m development costs by reducing the amount of time the two Oldbury reactors are shut down for repairs. With minor modifications, however, it could also be used in other reactors, or in plants outside the nuclear industry where repairs have to be carried out in inaccessible places.

Clive Cookson



Two important conferences to be held on the eve of the



THE FINANCIAL SERVICES ACT -Legislation in Action London, 5 July 1988

Mr David Walker Chairman Securities and Investments Board

The Hon Francis Maude, MP Parlamentary Under Secretary of State for Corporate Affairs nent of Trade and Industry

Professor **Charles Goodhart** Norman Sosnow Professor of Banking and Finance banking and Pinance
London School of Economics
and Political Science
Former Chief Adviser to the
Bank of England

Mr Robin Hutton Director General British Merchant Banking and Securities Houses Association

Sir Martin Jacomb Bardays de Zoete Wedd Limited

Mr Glyn Jones Consulting Partner Financial Services Group Detoitte Haskins & Sells Mr John A Morgan Chief Executive Investment Management Regulatory Organisation

Mr Keith S Woodlev

Partner Deloitle Haskins & Sells Mr John R C Young Chief Executive The Securities Association Limit

FT Centenary Exhibition BLACK MONDAY

> Lendon, 6 July 1988 Mr John M Hennessy Charman & Chief Executive
> Cradit Susse First Boston Limited
> Vice Charman of the Board
> First Boston Corporation

-Nine Months After

Sir George Blunden Deputy Governor Bank of England

Professor Robert R Glauber The Harvard Business School Former Executive Director The Brady Commission

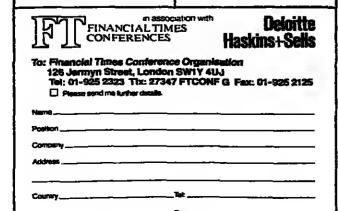
The At Hon

Denis Healey, CH, MBE, MP Former Shadow Sp Foreign Affairs Mr Gordon S Macklin Charman of the Board Hambrecht Clust Incorporated Member of the Board of Directors

MCI Communications Corporation Mr Rodney Schwartz

Mr Terry Smith Analysi Barclays de Zoete Wedd Limited

Ms Consuela Washington Professional Staff Member Committee on Energy and Commerce US House of Representatives



# On your marks for 1992 Computers for people afford to wait.

For high performance solutions to your time-critical applications . . .

Concurrent

Computer Corporation

Or send your business card for a free video to Marketing Dept., 227 Bath Road, Slough, Berkshire SL1 4AX

# NEW INTEREST RATE

**BASE RATE** 

Increased by 0.5% to 8.5% per annum with effect from 7th June, 1988.





THE BALANCE SHEET IS JOINTLY CERTIFIED BY RECONTA TOUCHE ROSS S.A.S. AND BY R.L.A. - SOCIETÀ NAZIONALE DI CERTIFICAZIONE S.P.A.



HEAD OFFICE: MILAN - REPRESENTATIVE OFFICES: ANCONA - BARI - BOLOGNA - RICHIZE - NOVARA - ROMA - VICENZA

CARE OF THE ENVIRONMENT oses to publish a Survey on the

22nd JULY 1961 synopsis and advertisement details S.P. DUNBAR-JOHNSON on 01-248-8000 ext 4148 or write to bim at

ken floore, 16 Camou ! Loudon EC4P 4BY, **FINANCIAL TIMES** 



The S-class range consists of the 300SE, 300SEL 420SE 420SEL, 500SE 500SEL and 960SEL

On the one hand, it is the most luxurious and sumptuous Mercedes-Benz in which to be driven. Sitting in the back the first thing you notice is the amount of space. There is a sense of serene calmness created by

the generous interior and plush fittings.

A masterpiece of ergonomic

# The Mercedes-Benz S-class.

RECLINING IN LUXURY

# Two opposing points of view.

engineering, the S-class has seats sculptured to prevent fatigue and discomfort. The rear bench stretches nearly five feet from door to door and

allows for a heady 36.6 inches of headroom.

In the SE models there is enough rear legroom for a six footer to feel at ease. Imagine then, the phenomenal amount of room there is in the long wheelbase SEL versions.

Once comfortably reclined in the generous seats with the automatic air temperature control in full flow you are immersed in a feeling of total relaxation.

#### **BIG ON CREATURE COMFORTS**

7

Ĭ

The list of optional luxuries, including electrically adjustable rear seats, electric rear window roller blind, individual reading lights and an electric tilt and slide sunroof, leaves no doubt about the level of opulence that can comfortably be achieved.

There's no more comforting thought, however, than knowing the enjoyment of owning an S-class will not be spoilt by crippling depreciation. The high re-sale price of every S-class is a testament to the legendary Mercedes-Benz reputation for durability. To think of a Mercedes-Benz S-class as anything but one of the most supremely comfortable cars ever built would be very difficult.



ENGINEERED LIKE NO OTHER CAR IN THE WORLD.

On the other hand, it is the most exhilarating and rewarding Mercedes-Benz to drive. Sitting behind the wheel the first thing you notice is the comprehensive driver information service. Its clear, logical

> layout is the same across the entire however, where the differences lie.

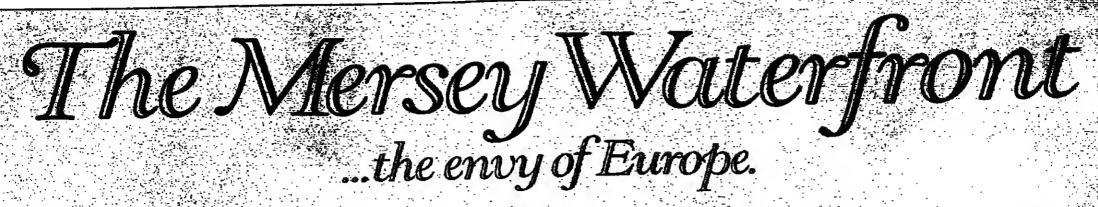
The S-class range extends to seven models, with power units from 3 litres to 5.6 litres, each capable of turning in autobahn speeds of over 130 mph. The peerless 560 SEL is a masterpiece of automotive engineering, its light alloy 5.6 litre V-8 engine smoothly powers it to 62 mph in a scant 6.9 seconds and takes it upwards to a prodigious 156 mph. No car in its class can match its performance regardless of engine size or number of cylinders. The 300 DiN/hp power output so lightly taxes the engine that it makes a barely audible murmur, even under brisk acceleration.

#### PIONEERING SAFETY

When its supreme combination of handling, ride and performance is added to its enviable list of safety features the S-class is unmatched by any car in the world.

Mercedes-Benz pioneered the rigid passenger safety cell and the scientific crash testing of cars. The S-class benefits from these as well as contemporary innovations such as ABS anti-lock braking, front seat belts with electronic tensioners that tighten on impact and pedals that swing away to reduce injury to the feet in a frontal collision. To think of a Mercedes-Benz S-class as anything but one of the most supremely satisfying drivers' cars ever built would be very difficult.

\*Manulacturer's ligures



When the Merseyside Development Corporation was created, it didn't plan to change the world.

Just the Mersey waterfront.

Today, looking back on a programme of dynamic developments, we know we have created an environment which is the envy of Europe.

Seven major national and international awards confirm that the spectacular transformation of the waterfront has been worth the effort.

These achievements could not have happened without the commitment of the private sector. Working closely and in harmony, visionary projects have been turned into reality.

The magnificent Albert Dock Complex... the Tate Gallery... Brunswick Business Park... and this year five international organisations are themselves investing a further £26 million.

But this famous waterfront still has enormous potential for investors with vision, enterprise and an appetite for success.

Does your investment programme include our waterfront? Why not ring 051-236 6090 and get the facts from Alex Anderson.

And join us on the Waterfront.





Merseyside Development Corporation, Royal Liver Building, Pier Head, Liverpool L3 IJH. Telephone: 051 236 6090. Fax: 051 227 3174. Telex 627803.

#### **UK NEWS**

DATA CONFIRM ECONOMIC BUOYANCY

# Retail sales up strongly as credit continues high

BRITISH consumers' appetite for higher than the same period a continuing strength of credit showed few signs of easing year before.

The continuing strength of consumer credit and retail sales in April while retail sales contin-

amount outstanding on consumer and from insurance companies. anced. credit agreements rose by a sea-sonally adjusted £300m in April to £24.3bn. That compared with an increase of £400m in March.

Separate figures from the growth. department showed little evidence of a slowdown in retail tha amount of the state of the dence of a slowdown in retail tha amount of credit outstanding sales growth. The seasonally increased by more than £1hn adjusted index of retail sales volume was revised upwards in between November and January.

ued to grow strongly, according to official figures published yesterday.

Department of Trade and Industry figures showed the loans on bank personal accounts only on the consumer sector in the economy. However, this is likely to increase the fears of some independent of the consumer sector in the economy. However, this is likely to increase the fears of some independent pendent economists that economistry figures showed the loans on bank personal accounts.

The consumer credit figures highlights the buoyancy of the

If consumer spending, fuelled by credit, continues to grow rapidly, it is argued, it could add to inflationary pressures and lead to

large increases in imports.
Yesterday's half a percentage
point rise in bank base rates is unlikely to have a significant effect on consumer credit which is thought to be insensitive to the April to show a 0.7 per cent rise. New credit advanced to concord with provisional figures showing a 0.2 per cent rise. In the three months to April, retail sales were nearly 1½ per The total for the three months to April was 9 per cent higher than the previous April was 9 per cent higher than the previous April was 9 per cent higher than the previous three months. Is thought to be insensitive to the cost of interest payments. Retail sales are likely to be affected significantly only if the rise feeds through into higher mortgage rates which would have an impact on households' spending the previous three months.

# Car registrations likely to set record as May sales rise 11%

BY KEVIN DONE, MOTOR INDUSTRY CORRESPONDENT

markets, but UK car registrations continue to rise strongly. Last month they rose to 185,422 units fall despite a three-month lowfrom 167,357 a year earlier, the cost financing promotion it is highest May sales since 1979 running for the Metro.

markets are due later this month.

For the first five months UK

from 15.57 per cent a year earlier

new car sales rose by 10.36 per

cent to 936,123 units from 848,216

in the corresponding period a

year earlier, For the 12 months to

The share of imported cars in

The share in the first five months

The share of imported cars in

The share of imported cars in

The share of imported cars in

The share in the first five months

The share of imported cars in

The share in the first five months

The share of imported cars in

The share to 3.11 per cent

SNP poil tax revolt

The scottish National Party has

NEW CAR SALES jumped by national strike at its UK plants in 10.79 per cent in May, making the UK one of Europe's fastest grow-cent of the market in May.

ing volume car markets.

Car sales are expected to set a record in 1988 for the third successive year. Last year they exceeded 2m units for the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months is lower than a year ago at 27.29 per cent in the first five months is lower than a year ago at 27.29 per cent in the first five months is lower than a year ago at 27.29 per cent in the first five months is lower than a year ago at 27.29 per cent in the first five months is lower than a year ago at 27.29 per cent in the first five months is lower than a year ago at 27.29 per cent in the first five months is lower than a year ago at 27.29 per cent in the first five months is lower than a year ago at 27.29 per cent in the first five months is lower than a year ago at 27.29 per cent in the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five months of 1987, but it still the first five mon The hectic rate of growth of positions in the UK car sales the last two years has finally league with the Escort, Fiesta begun to slow in some European and Sierra models.

the end of May, new car registrate the UK market has increased year ago, and in May alone it 100,000 Scots to refuse to pay the tions reached 2.1m compared sharply in the first five months captured 6.86 per cent of UK car with the 2.013m recorded for 1987. to 54.64 per cent compared with sales boosted by increasing profunction from its UK assembly appears to have recovered fully because of a strong rise in the plant in Sunderland, north east from the impact of the two-week volume of cars being imported by

both Ford and Vauxhall from continental plants.

months slumped to 57 per cent-partly under the impact of the February strike from 72.5 per cent a year ago, while Vauxhall's UK-built cars accounted for 66.3 Britain 'backs Opec'

according to figures released yes—
terday by the Society of Motor Manufacturers and Traders.

It captured 13.21 per cent of the 1.76 per cent a year ago as its sales volume jumped by 106 per it was effectively helping the organisation's efforts because the first five months its first five months it has increased its own output was gradually falling.

In Brief

#### Aid to BAe for Airbus project not ruled out

LORD YOUNG, the British Trade and Industry Secretary, has refused to rule out further government aid to ensure British Aerospace's continued participa-tion in the European Airhus proj ect, writes Ivor Owen.

The minister said in the House of Lords yesterday that he had met BAe management to discuss the problems caused by the low dollar but that he had received "no firm proposals" for additional support. However, he refused to give an undertaking that "under no circumstances" would such assistance be given.

BA launches shops

British Airways is to replace its existing high street sales outlets with a chain of up to 60 shops, to be called FourCorner, aimed at high-income travellers. A subsidiary. British Airways Enterprises, has been set upto undertake the

#### **GLC** site shortlist

A shortlist of four developers has been drawn up for County Hall, the former beadquarters of the Greater London Council Twelve hids had been made for the con-The share of UK-built cars in Ford's sales in the first fiva months clumped to 57 per cent final decision has been promised within the next month or so.

per cent of sales compared with MR CECIL PARKINSON, Energy 70.9 per cent a year earlier.

Secretary, said yesterday that he grench said yesterday that he

Peugeot group, and Nissan of Japan have made some of the biggest gains to date. Citroen almost doubled its market share in May to 329 per cent compared with 1.76 per cent a year ago as the state of the per cent a year ago as the state of the per cent a year ago as the state of the per cent a year ago as the state of the per cent a year ago as the state of the per cent a year ago as the per cent a year ago as the per cent and per c



Add it up.

Over 40% research and development grants. Up to 50% of factory costs. Up to 50% of machinery and equipment costs. Plus 100% de-rating.

Now add - 2 millioo square feet of factory space available right now, 900 acres of fully-serviced sites, tailor made start up and training grants. Easy access to university resources, a skilled and dedicated workforce, 5 major commercial ports, an international airport and a unique flexible attitude towards your individual business needs.

No wonder Du Pont, Hughes Tool, Ford, Hyster. United Technologies, General Motors and Coca-Cola

For a convincing case from any business perspective, and the facts which will convince you of the business opportunity, phone, write, or complete and mail the

I want to know more about the Northern Ireland Business Opportunity. Please send me: □ Free VHS Video □ Information Pack Position Company Address

Post to: Frank Galbreith / Ken Welsh Northern Ireland **Business Centre** 11 Berkeley Street London W1X 6BU Tel: 01-493 0601



Canada



# It is as liquid as it is solid.

As solid as some gold appears, if it does not enjoy universal recognition, you may find yourself at a disadvantage when you try to trade it. It is important to know that your gold is as good as cash anywhere in the world where gold is traded, without a time-consuming and costly assay. As the largest-selling bullion investment coin, the Gold Maple Leaf can meet this demand.

Each Gold Maple Leaf coin is 999.9/1000 fine pure gold, and is legal tender at its face value. Independent tests have even

shown that the Royal Canadian Mint gives a little gold away to guarantee each coin's minimum weight. Because of the large numbers sold, its unquestioned reputation, and the government guarantee of weight and purity control, the Gold Maple Leaf is now a standard by which other gold products are measured.

When you buy Gold Maple Leaf coins, you can be sure that you can easily and discretely obtain cash for them wherever

gold is traded. Be sure to weigh the advantages of The Gold Maple Leaf - all of which add up to make it, with over 11 million ounces sold, the best-selling investment coin in the world today. And, just maybe worth even more to you than its weight in gold.



# Charges dropped against Page in Howden affair

POLICE have dropped all charges against Mr Allan Page, a defendant in the Alexander Howden buyers of the Geneva-based Bandard in the Alexander Howden frand case, because Mr Page is suffering from complications fol-lowing a serious operation, Lon-don magistrates heard yesterday. Mr Page, who is in his 60s, was one of five men arrested last July on fraud and conspiracy charges

arising from the six-year-old Howden affair at Lloyd's of Lon-don, the insurance market. They include Mr Ian Posgate, former marine insurance underwriter.

News that charges against Mr Page had been abandoned came as the court began the first day of committal proceedings against Mr Posgate and three other men, Mr Kenneth Grob, Mr Jack Carpenter and Mr Colin Leonard Roy Hart. The proceedings are expec-ted to last up to four weeks.

Mr Page was finance director of Alexander Howden, one of London's biggest insurance brokers, until August 1982, when he resigned from its board six months after it was taken over by New York-based Alexander &

Along with Mr Grob, Mr Carand Mr Posgate, he was charged last July with conspiracy to defraud Alexander Howden

#### Unionist politicians snub Dublin overtures

que du Rhône et de la Tamise had no connection with the Alex-ander Howden group. Mr David Inman, counsel for Mr Page, told the court yesterday Mr Page had a short life expec-

Reporting restrictions were not lifted at the hearing, but the Crown Prosecution Service laid a series of new detailed theft and fraud charges to replace the spec-imen charges which were

Lloyd's insurance syndicates.
He is also charged on several

counts of false accounting Mr Posgate faces two charges, including conspirscy to steal money from members of Lloyd's syndicates. Mr Hart, a former professional Lloyd's underwriter, faces three charges of conspiracy to steal money from Lloyd's syn-

The hearing continues today.

By Kleran Cooke in Dublin

POLITICAL flirtations quickly turn sour in Ireland.
Only last week Mr Charlea Haughey, the Irish Prime Minister, was describing as "very exciting" the prospect of talks with Mr James Molyneaux, the leader of Northern Ireland's Official Inionist Party.

Unionist Party.
However, over the past two
days both Mr Molyneaux and the
Rev lan Paisley, the leader of the
Democratic Unionist Party, have
made it clear that no such meeting is contemplated, nor is it Mr Molyneaux described as

imen charges which were brought against the other four men last year.

Mr Grob, former chairman of Alexander Howden, now faces 56 allegations in all, the first of which is thet in August 1981 he stole \$1,135,910 belonging to Alexander Hodwen and to members of ander Hodwen and to members of clear on Irish radio.

"No Unionist worth his salt

would sit down at an all-ireland constitutional conference, allowing Dublin to have any say in the future of Northern Ireland or to discuss a Northern Ireland gov-

Mr Paisley said that the Angio-Irish agreement had to be scrapped and devolved govern-ment returned to Nortbern

to uniting the nations.

One of Germany's contributions

Tom Lynch examines a procedural dispute over a stalled bid to change abortion law

# Alton takes 18th century tack to save his bill

MR DAVID ALTON, the Demo-crat MP, will today try to resur-rect his bill to reduce the time limit on abortions by, in turn, resnrrecting a parliamentary stratagem from the early 18th

century.

The device is known as 'tacking', meaning to tack an amendment on to a bill. It originated when only Church of England when only Church of England to the control of the control when only Church of England employers to give so days nodes communicants were allowed to represent English constituencies. But ever since the hattle over occasional conformany nonconformist Whig members stayed MPs by confirming on in the UK.

However, Mr Alton, MP for This army of Messley 1831 has been

Reagan last month vetoed a trade bill partly because a provision had been tacked on to require today begins its report employers to give 60 days' notice the House of Commons.

This occasional conformity so enraged the High Anglican Tories that they took to adding amendments to every bill before parliament to outlaw the device.

Tacking is accepted practice in Tacking is accepted practice in other countries US President of the Reagan last month valued a trade of the Countries to the Gourthment's as diverse as the humane slaughtering of deer, the printing of the House, will select the sale of toy guns.

There is also said to be some by the "long title" of the bill the pressure from those seeking to pressure from those seeking to the Countries that they took to adding a mendment which the sale of toy guns.

There is also said to be some by the "long title" of the bill the words printed on the bill defining from those seeking to the countries to the coun new clause to the Government's Criminal Justice Bill, which today begins its report stage in

of plant closures. But ever since the hattle over occasional conformity, tacking has been frowned on in the UK.

However, Mr Alton, MP for Liverpool Mossley Hill, has been to determine the conformation of the UK.

However, Mr Alton, MP for Liverpool Mossley Hill, has been to determine the conformation opposite the tacking campaign, attempting to add to the same bill a range of stalled private members' bills on subjects to use tacking to promote their view.

It remains to be seen whether water members' bills on subjects to the conformation of the parliamentarians rallied round this proposal earlier and they may seek to use tacking to promote their concern at the House of Commons.

To point up their concern at the parliamentarians rallied round this proposal earlier and they may seek to use tacking to promote their view.

from 2S weeks of pregnancy to 24. by Mr Alton. A powerful jobby of parliamentarians rallied round this proposal earlier and they may seek to use tacking to pro-

words printed on the bill defining its purposes.

The long title of the Criminal Justice Bill is very long indeed, covering as it does new powers to appeal against lenient sentences, powers of various courts and institutions, the carrying of knives, compensation for miscarriages of justice, child pernography, ball and powers of search.

# Birmingham to get £203m aid

The cash, announced by the European Commission yesterday, is to belp the economic regenera-tion of the city under a so-called Integrated Development Opera-tion (IDO), a new kind of EC assistance whereby different Community social and regional funds are handed out in a co-ordinated way over a period of years.
It is intended to be more effec-

BIRMINGHAM is to get £203m of tive than the previous way of dis-European Community aid and bursing aid for individual pro-loans over the next five years, jects year by year, and was the largest single tranche of EC introduced as part of the EC bud-assistance approved for the UK get and regional aid reforms and the first assistance project of its kind earmarked for the coun-

The Birmingham programme represents a total investment of £460m between 1987 and 1991, including private contributions and the city's own funds. It will be spent on job creation, encour-aging diversification of the local economy into services, tourism and high technology, improving local transport and training. Yesterday's decision comes

after a flurry of lobbying in Brussels by UK city authorities, fear-ful that they will lose out to southern member states. EC lead-ers agreed in February that this structural spending should rise from Ecu? Abn (£4.9hn) this year to Ecu13bn in 1992.

Of the total, £113m comes from the European Regional Develop-ment Fund, the biggest of the EC structural funds. Another £30.6m comes from the European Social Fund for Vocational Training. with loans worth £20.6m from the European Investment Bank and £23.9m from the European Coal and Steel Community.

#### Assets 'may cover' most of Barlow Clowes debt

MR MICHAEL Jordan of accountants Cork Gully yesterday gave encouraging news to the 7,000 investors in Barlow Clowes Gilt Managers, which the Securities and Investments Board is seeking

to wind up.
Mr Jordan, the firm's special manager, told a group of 70 solicitors, accountants and financial advisers that holdings of gilt-edged securities already identified would cover most of the £51m of investors' money placed

with the company.

The gilts are being held by
Midland Bank Nominees. Mr Jordan said that if there was any shortfall, it would be small. How-ever, in view of the company's poor record keeping, delays might arise in allocating all the assets to investors in the correct amount, he said. Whether or not a delicit exists

Whether or not a deficit exists hinges mainly on the precise interpretation of clauses in the contracts under which Barlow Clowes has been managing investors' gilt portfolios. These do not make clear whether the firm is obliged to repay the gilts to investors at their full redemption value.

It also emerged yesterday that Barlow Clowes had a professional indemnity policy which guaran-teed investors against any losses teed investors against any josses through fraud or negligence up to a maximum of £10m. The policy, which was placed by Fenchurch Insurance Brokers with the Sun Alliance Insurance company. Iapsed in mid-1985. However, there who invested before their those who invested before then may receive some additional pro

Meanwhile, some of the 11,000 investors in Barlow Clowes Inter national, the associated company which is based in Gibraltar, have initiated an action in the Gibraltar courts to freeze its assets which have to meet liabilities of about £130m to clients.

The UK authorities, which are fearful that money may have been shifted between the two companies, are also considering action in the Gibraltar courts.

#### **IFS** warns of renewed turmoil in coal sector

and Max Wikinson

RENEWED turmoil in the British coal industry could follow privatisation of the power sta-tions, the Institute for Fiscal Studies warned yesterday. In a report on the impact of electricity privntisation on

electricity privntisation on other UK energy industries, it says competition among rival private electricity producers is likely to focus on fuel prices.

The less the industry pays for its fuel, the report argues, "the more profitable it will be and so the larger will be its market value." Power generators will presumably therefore be nilowed, "perhaps even encouraged," to substitute imported coal for domestically produced.

The IFS argues that Central Electricity Generating Board has, as a monopoly, been willing to prop up British Coal by buying a substantial tranche at a price well above that of imports Household to care it to imports. However, it says it is inconceivable that a similar understanding will be reached with the two generating com-panies to be formed from the CEGB after privatisation.

If, on the other hand, electricity were put under pres-sure to cut costs, the balance of argument in the industry would shift. "In these circumstances there would still be hard times ahead for British

One of the contributors to the report, Mr Dieter Helm of the London Business School. has urged the Government to distinguish between two kinds of regulation needed once the electricity industry was priva-

The first would protect con sumers from excessive price increases by n monopoly industry, whereas the other would prevent established companies from freezing out competition.

• The CEGB is to seek planning permission this summer for a 1,800MW coal-fired power station at Kingsnorth.

# Parliament expected to reject case for hanging in fresh vote

penalty, 23 years after it was abolished. They are, once again, expected to defy public opinion and vote against its reintroduc-

The Commons will have the opportunity to debate one of the most controversial of political issues, following the tabling of an amendment to the Criminal Justice Bill, which returns today for sation, and the Howard League its report stage.

for Thanet North in Kent. He has the support of about 100 MPs in his call to reintroduce punishment as the maximum penalty for murder. There are 650 MPs in the Commons. Under his amendment, a jury

under his amendment, a jury would have the power, after reaching a guilty verdict, to recommend the death sentence.

Mr Gale claims MPs will, in effect, also be debating whether or not the police should be armed. He points out that, under the hill the courts will be able to the bill, the courts will be able to impose the same penalty for carrying an offensive weapon as for using it. He believes that without capital punishment the offender will have no disinclination to use

will have no disinclination to use a weapon and the case for arming the police will be strengthened.

The debate will provide MPs with their first opportunity to debate the issue since last year's general election. Despite evidence that the new influx of 53 Tory MPs should swing the balance in favour of those strength. ance in favour of those support-ing capital punishment, another sizable vote against its return is

A recent poll by the Mori organisation showed, bowever, that 67 per cent of British voters favour the return of the death penalty, with the figure rising to

MPs RETURN to the House of Commons today to debate the case for restoration of the death penalty, 23 years after it was abolished. They are, once again, expected to defy public opinion than express the wishes of their restoration. voters. However, they will reach

their decision only after facing intense lobbying by supporters of both sides of the argument.

The anti-hanging camp is led primarily by Amnesty International, the human rights organizational, and the Howard Leggue rne most likely amendment to based primarily on moral be chosen by the Speaker of the House has been put down by Mr Roger Gale, the Conservative MP for Thanet North in Kent House has been put down by Mr dence to support the view that the death penalty acts are also as a second support to the death penalty acts are also as a second support

On the other side of the argument, tha recently-formed National Capital Punishment Csmpaign claims MPs cannot continue to ignore the wishes of the overwhelming majority of the public and says it already has the support of over 60,000 people for Mr Gale's amendment. It is com-mitted to continning the fight. even if its cause is defented

Mr Gale was last night pessimistic about his prospects for success, claiming: "If I was a betting man I would not put any money on my amendment." He believes many MPs might still be absent on the first day after the Commons' spring recess and also thinks some Tory MPs, who are opposed to the death penalty but under pressure from their local party to vote in favour, will solve their dilemma by staying away.

Whatevar the Commons

Wbntevar the Commons decides, capital punishment will remain on the statute book as the mandatory penalty for high trea-son and for piracy with violence. One set of gallows is kopt in working order at Wandsworth





ewed.

ected

for

vote

# The RoyScot Guide to the Care and Cultivation of your Assets.

deal of time and money be

In building your business you have probably ploughed a great

deal of time and money back into it.

Both can be employed yet more efficiently with the help of RoyScot Finance Group.

Sometimes a business can be growing so fast, financing so many new contracts, that it knows it will have used up its overdraft facilities by mid-month.

RoyScot can help by providing immediate cash up to the value of 80% of outstanding debtor invoices.

We can also help you acquire new assets without tying up any capital.

Through us you can lease all kinds of industrial, construction and agricultural equipment and plant, a fleet of vans or even an aeroplane.

If you have an asset such as a car fleet and would rather have its capital value to buy new stock or to fund new contracts, we can provide that too by buying the cars and leasing them back to you.

And this can be done in a way which will also save you valuable time spent in the administration of the fleet.

On the subject of time, all too many companies spend too much of it chasing unpaid bills rather than sales.

RoyScot can save you time by providing full sales ledger collection, book-keeping, credit management services and help in weeding out bad debts.

For retailers and wholesalers we can also help increase your sales and improve your margins.

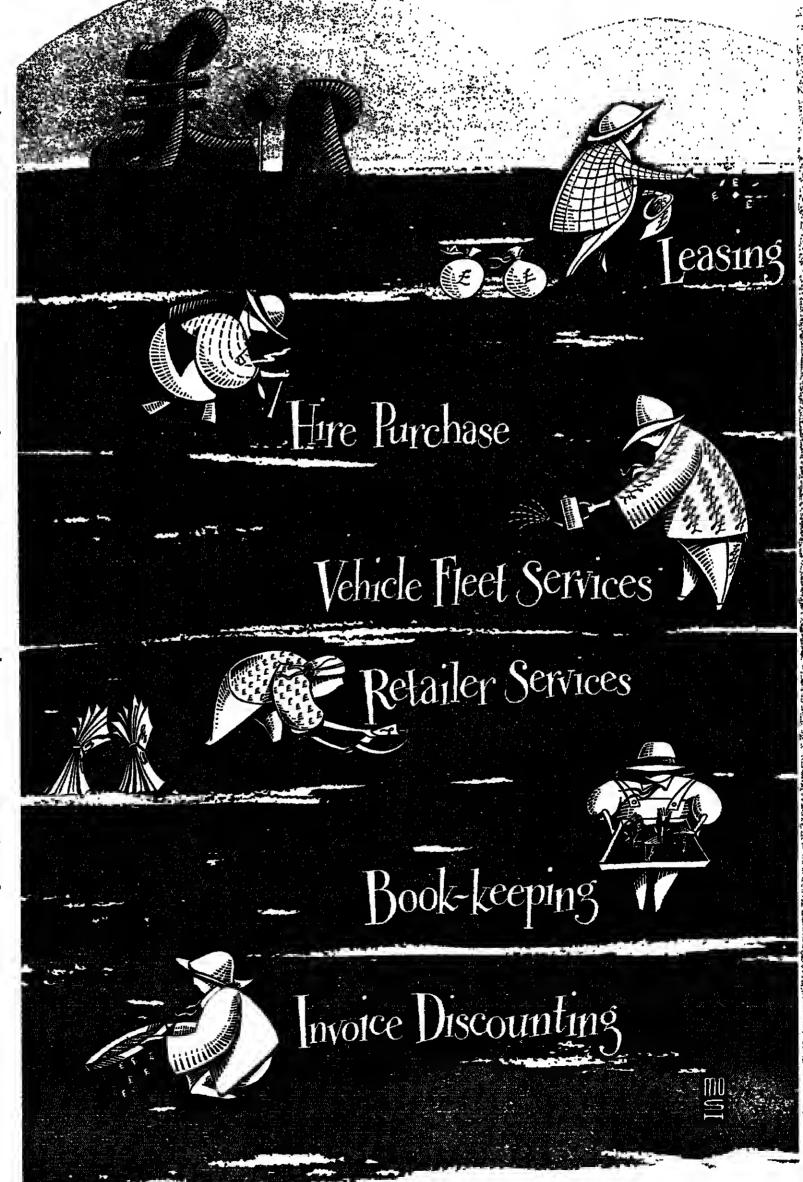
If you'd like to find out more about our financial services or where your local office is, write for our free information pack to: The Marketing Department, RoyScot Finance Group plc, FREEPOST, 67 Lombard Street, London EC3B 3XX. Or telephone RoyScot House on 0242 224455.

In it you'll find the many ways in which we can cultivate and help your business grow.

RoyScot \* Finance Group

A member of The Royal Bank of Scotland Group pic.

IT'S OUR BUSINESS TO HELP YOUR BUSINESS GROW.



Alice Rawsthorn on the changing UK carpet sector

# Coloroll's acquisition takes it to the top

COLOROLL wan control of the John Crowther textile group on Friday, in the latest of a series of recent changes in the British car-pets market. The takeover makes Coloroll the largest manufacturer and the second largest distributor

of carpets in the UK.

Because MCD, Crowther's distribution concern, is in good shape, the main challenge will be to revitalise the manufacturing side of its operations. If this succeeds, Coloroll will become a formidable force in the \$2.5hn British home furnishings market. It will also exert considerable influrently under way in the £350m carpet industry.

Until the mid-1980s the industry was the domain of bundreds of family businesses. The problems implicit in a tragmented structure - compounded by the power of the "pile it high and sell it cheap" retailers such as Harris and Allied – left the industry vulnerable to sudden slumps in cnnsumer spending and the increasing imports. Then, in 1985 and 1986, carpet

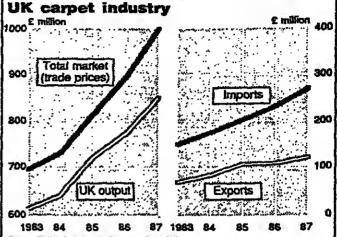
manufacuring was reshaped by a series of acquisitions which led to the emergence of four forces

pet company in the UK by adding Lancaster Carpets to Donagb-adee, through its acquisition of Nattingham Manufacturing. It has since acquired Ynughal, a big but troubled manufacturer in the Irish Republic.

Crowther surfaced as the sec-nnd largest player by merging Carpets International with Weavercraft, Lamont Holdings, a specialist textile group, acquired Shaw as a loss-making concern, while Coloroll ventured into carpets when it bought Wallbridge Holdings.

The reorganisation that fullowed these acquisitions introduced a new wave of manage-ment to the notoriously badly run industry and resulted in long overdue plant closures and cuts in capacity, borne principally by Coats and Crowther. Both found the process of reorganisation unexpectedly difficult, and for the past two years both have been plagued by production and distribution problems.

Their weakness has in turn chance to strengthen their hold



reduce labour costs at the facto-ries in areas like maintenance.

but also from Coats and Lamont.

from countries such as Belgium and, to a lesser extent, the US.

The company's third problem

Wallbridge to the other two mills. steered Shaw back to profit, Colo-roll has broadened the base of trol.

Coats is still grappling with the within the industry.

Coats Viyella (then Vantona Viyella) became the higgest carby the autumn, when it will

by the autumn, when introduce new ranges.

The Crowther carpet companies are, bnwever, struggling, ket is becoming increasingly competitive. First, the enlarged Cohroll operation will face far that the competition than it has derminster. Both are operating until recently from fellow domes-well below capacity, with heavy nverbeads and a legacy of man-niche producers like Tomkinsons, agement problems.

If it is to salvage these husinesses, Coloroll must act swiftly sterling has accelerated the to cut costs hoost output and influx of imports into the UK restore stability.

It has already mapped out pre-liminary plans. It will rename the plants at Bradford and Kidderminster the Kosset and Crossley put depend on increasing sales to mills respectively, and retain its Harris and Allied, both of which existing Wallbridge site in Somerset as the Coloroll Mill. It bopes to increase output at the plants by augmenting sales to Harris and Coloroll also faces the challenge by augmenting sales to Harris mf introducing new products in the Harrisette Courset. and Queensway and also to time for the Harrogate Carpet emerging carpet retailers such as Fair in September. This is the the dn-it-ynurself stores Texas highlight of the industry's year, and B&Q.

when manufacturers unveil their

About £3m will be saved through economies of scale by their budgets. Unless Coloroll can it is that we have not been able pooling the huying of raw material. Coloroll also plans to introgrand plans for the carpet market to support policy we have agreed duce techniques already used at could be stalled for another year. on".

We'll put you in touch with

We've grown big by taking

Go National, and you'll be

your nearest National Telephones

Main Dealer and he'll help you

on the giants in our business.

better equipped to help take on

beat the system.

the Big Boys in yours.

Benn opens left attack in Labour defence row By Michael Cassell

MR TONY BENN, the Member of MR TONY BENN, the Member of Parliament for Chesterfield who is challenging Mr Neil Kinnock for the leadership of the British Labour Party, yesterday accused Mr Kinnock of attempting single-handedly to change Labour defence policy.

His remarks, which are certain to be echoed by the party's left wing during the leadership election, followed Mr Kinnock's assertion at the weekend that the principle of "something for nothing" unitateralism was now

ing" unitateralism was now redundant.

Mr Benn will today unvei details of the second annual socialist conference, due to be held in his constituency on June 11 and 12, together with discussion papers which will form the basis for left wing campaigning during the leadership contest.

The conference, which could attract more than 2,000 delegates, will inevitably provide a platform Wallbridge's business, and It equally has the option of Tomkinsons has consolidated its position in consumer carpets. Brintons and Hugh Mackay have gained ground within the contract market.

Coats is still graphling with the contract market.

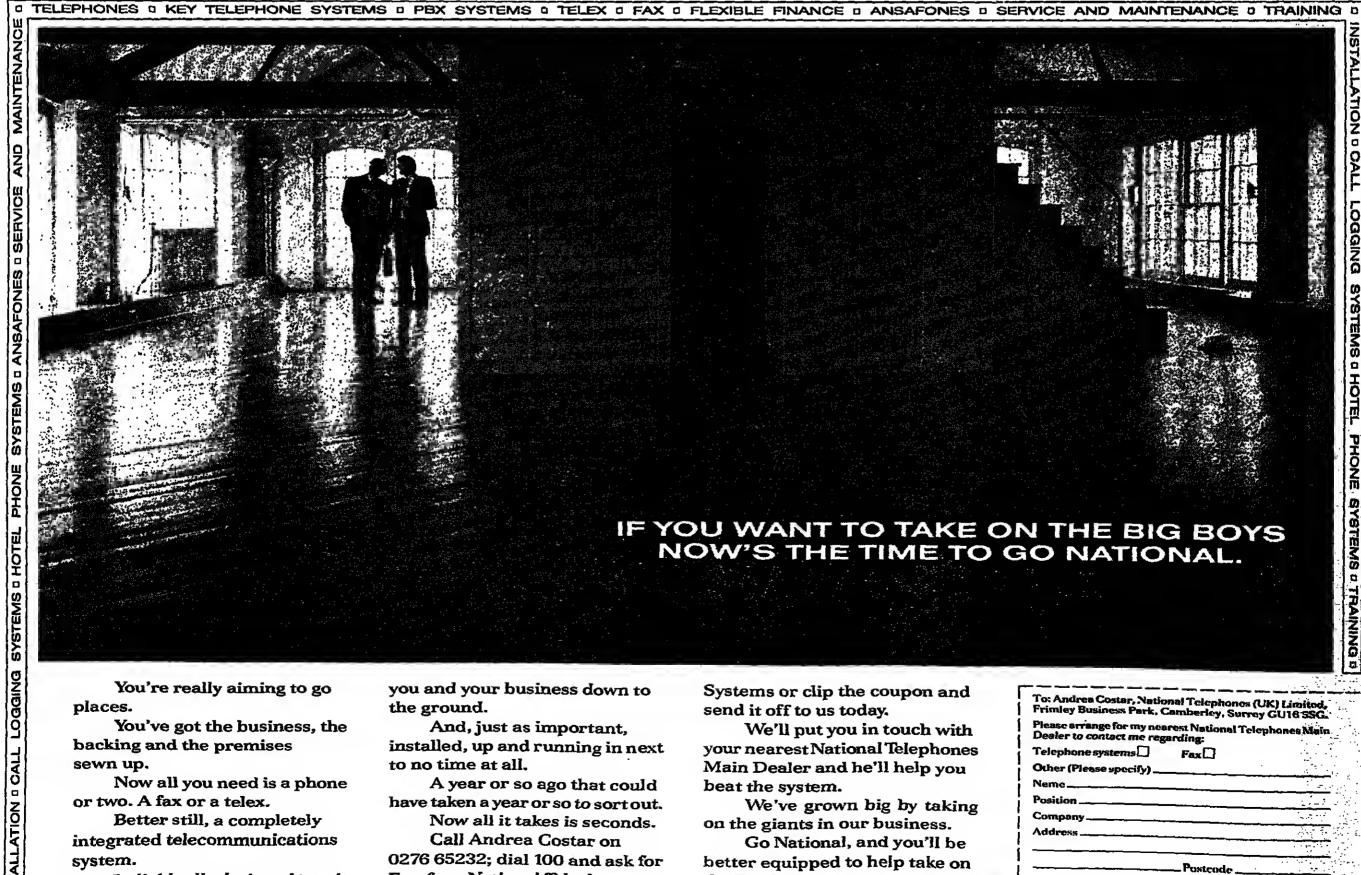
Commenting on Mr Kinnock's suggestion that support for unitre at Brighouse in Yorkshire; or lateral nuclear disarmament was It may not face an easy task, given that the takeover has come at at a time when the carpet marno longer appropriate, Mr Benn accused the party leader of undermining Labour's credibility

by appearing to overturn agreed policy in the search for electoral support.

He claimed that British voters no longer had the slightest idea of what the Labour Party stood for. As a result, the Conservative Party was still ahead in the polls, despite the Government's prob-lems over proposed changes to local taxation, the recent budget and the National Health Service. Eventually, be said, there would be no difference between

whild be no difference between the Labour and the Conservative Party, where the leader tradition-ally made policy. On a whole range of policies, Mr Benn claimed to see a "roalition" in parliament, within which the Labour leadership tacitly sup-ported the Conservation. ported the Government Fair in September. This is the highlight of the industry's year, when manufacturers unveil their designs and retailers commit the past three general elections;

This advertisement appears as a matter of record only. Höme <u>Loans</u> The National Home Loans Corporation plc Solihuli, England DM 150,000,000 51/2% Bonds of 1988/1993 51/2% payable annually in arrears nn Juna 7 June 7, 1993 at par Repayment: Frankfurt am Main Deutsche Bank Bayerische Vereinsbank Aktiengesellschaft Chase Bank Commerzbank CSFB-Effectenbank Daiwa Europe (Deutschland) Dresdner Bank **GmbH** Morgan Stanley GmbH Westdeutsche Landesbank Girozentrale Baden-Württembergische Bank Bank Brussel Lambert N.V. Creditanstalt-Bankverein Delbrück & Co. Deutsch-Schweizerische Bank AG Genossenschaftliche Zentrafbank AG Georg Hauck & Sohn Bankiers Hessische Landesbank Leu Securities Girozentrale – Merck, Finck & Co B. Metzler seel. Sohn & Co. Sal. Oppenheim jr. & Cie. M. M. Warburg-Brinckmann, Wirtz & Co.



TRAINING FLEXIBLE FINANCE TELEPHONES PBX SYSTEMS TELEX HOTEL PHONE SYSTEMS ANSAFONES

to no time at all.

And, just as important,

installed, up and running in next

have taken a year or so to sort out.

Call Andrea Costar on

0276 65232; dial 100 and ask for

Freefone National Telephone

A year or so ago that could

Now all it takes is seconds.

You've got the business, the

Now all you need is a phone

Individually designed to suit

Better still, a completely

integrated telecommunications

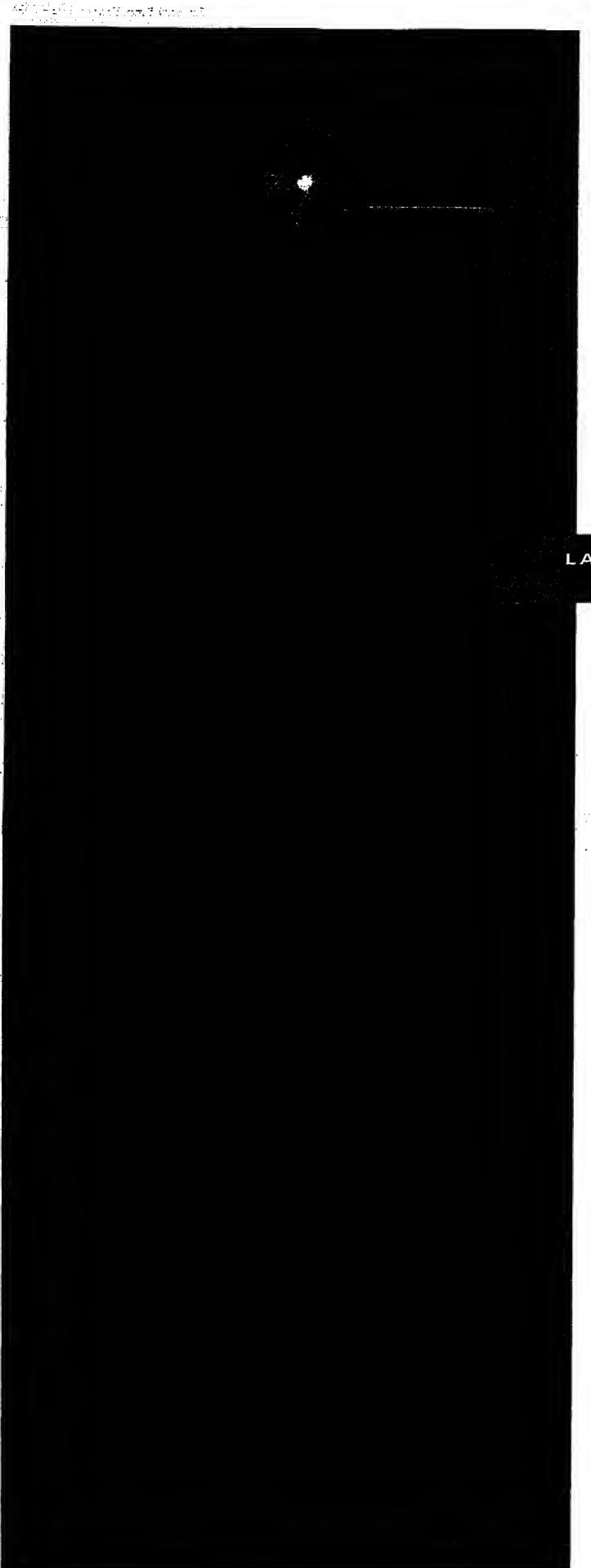
backing and the premises

or two. A fax or a telex.

sewn up.

system.

| To: Andrea Costar, Natio<br>Frimley Business Park, C  | nal Telephones (   | UK) Limito<br>v GU16:55 |
|---|--------------------|-------------------------|
| Please arrange for my nea<br>Dealer to contact me reg | rest National Tal. | phones M                |
| Telephone systems                                     | Fax                |                         |
| Other (Please specify)                                |                    |                         |
| Neme  |                    |                         |
| Position  |                    | 1.7                     |
| Company   |                    | 14.8                    |
| Address   |                    | ψų                      |
|   |                    |                         |
|   | Postcode           |                         |
| Tel   |                    |                         |



FLAINING

Initially at least, the explosive device in question usually presents itself rather more innocently.

As a letter, in fact.

Its contents, however, can still prove totally devastating.

Because the letter we're talking about is one which tells you a customer is either in receivership, in liquidation or in very serious trouble.

Last year, over 18,000 customers told their suppliers they couldn't pay their debts.

Sometimes the effect of this was so catastrophic it even destroyed the company receiving the letter.

(Thus creating a very unpleasant snow-ball effect.)

In some five thousand cases, however, the situation was easily defused.

# LAST YEAR WE DEFUSED OVER FIVE THOUSAND OF THESE.

Because the company concerned had insured its debts with us at Trade Indemnity.

In these cases we were able to pay out up to 90% of the insured debt.

Leaving our client still very much in business.

Since over 40% of your current assets could be tied up in debts, isn't it time you also considered using our services?

These days, you'll find we're as flexible as your own business.

We can, for example, insure all your debts. Or just those you choose to cover.

We have access to credit information on over a million companies in the UK, and millions more overseas.

And our credit analysis service can give you detailed reports on specific companies.

Our collections service can recover debts quickly and efficiently.

And we can also help make exporting a safer and more profitable exercise with various services ranging from credit insurance to non-recourse finance.

To even the largest of companies, in fact, our services have become recognised as sensible, prudent precautions that any well managed company should consider.

For some companies, of course, they may prove rather more than just sensible.

They could prove life-saving.

# TRADE INDEMNITY

For further information on our services, please call 01-739 9939.

# Finance director of the ASDA Group

Mr Edward Lea, finance director was a senior partner of de Zoete of the ASDA GROUP, is to resign & Bevan. of the ASDA GROUP, is to resign from the board after the annual meeting in September. He will be succeeded by Mr Ronald Scott, appointed to the board of CREST finance director of ASDA Stores. Mr Graham Stow will replace Mr sihe for residential development. He is managing director of Crest ASDA Stores, with responsibility for Mr Management.

Insurance Group), chairman of The Salvage Association, has been elected chairman of the Association of the A Mr Alan J. Birch (Sun Alliance

for distribution and management information services.

Mr Les Tench, managing director of Steetley Brick & Tile, has been appointed chairman of THE BRICK DEVELOPMENT ASSOCIATION.

\* Mr Richard Brett has joined the CIVIL AVIATION AUTHORITY as group director frames and management services. He joins from Datatech, a subsidiary of Thorn EMI, where he was finance director.

Mr Peter Goldie, chief executive of British & Commonwealth appointed group finance director of ITL INFORMATION TECHNOLOGY. He joins from P&O. B&C has a 16 per cent holding in the company.

been elected chairman of the ASSOCIATION OF AVERAGE ADJUSTERS.

HARVEY PLANT has appointed Mr Peter Cosgrove as managing director. Be joins from a sister Lex company, Lex Electronics Europe, where he was personnel director.

Wr Kenneth B. Sinclair has been appointed a director of Barclays Bank and BARCLAYS PLC from July 1. He has been a director of Barclays de Zoete Wedd holdings since its formation in 1986, and with responsibility for sales and group for over 25 years.

UNITED TRANSPORT CON
director.

\*\*

Mr John J. Lee, head of BEAMA's technology division, has been. Mr Peter Easby has joined made a director of the BEAMA HEALEY & BAKER as one of its managing partners. He has also director, technology. UNITED TRANSPORT CON-



Mr Edward Bloxham has been RHM OUTHWAITE HOLD-INGS. He was finance director of RHM Outhwaite (Underwriting Agencies), and his appointment is made in preparation for a restructuring of the Outhwaite Group into separate operating subsidiaries later this year. Mr Stephen Mitchell, former senior partner of City solicitors Elborne Mitchell, is he appointed n director of RHM Outhwaite (Underwriting Agencies). He will join the holding commons heard followolding company board following the proposed restructur-

He was previously personnel

# Senior post at TSB

TSB GROUP has appointed Mr Healey & Baker Financial Ser-John Bourke as managing directices. tor of TSB Commercial Holdings.

He succeeds Mr Don McCrickard Mr W.T. Dancer has have who was recently appointed chief appointed to the board of COL-executive - banking. Mr Bourke is OUR LIBRARY BOOKS. managing director of United
Dominions Trust, a post he will
retain. He also succeeds Mr made two board appointments:
McCrickard as chairman of Swan
National, and remains chairman
finance director and Mr Bob Mal-

Mr David Gordon and Mr Stuart
Tarrant have been approinted directors of the TARGET
GROUP, a subsidiary of the TSB
Group. Mr Gordon is group managing director of The Economist

Mr Mike Nowill has been appointed managing director of appointed managing director in the part of the pa and Mr Tarrant is a director of

At BARONSMEAD ASSOCIATES Mr Paul Borrett, formerly head of the worldwide corporate divi-sion of Burclays Bank, has become chairman. Mr Dick Horsnell, formerly managing director at Philips Business Systems, has been made an executive director.

Mr Peter C. Jones has been MANNS & NORWICH BREWERY appointed company secretary of CO has appointed Mr Richard HSS HIRE GROUP, the hire ser-Wells as its innkeeper director. vice company of John Mowlem He was previously personnel and Co. He joins from Otis Klevator where he was company secre-

lindine, currently operations director, managing director-

Mr Peter Carter-Ruck has been appointed a director of KWIK-SERVE. He is a senior partner of Peter Carter-Ruck and Partners.

\*\*Addenhrooke as director in Charge of company registration charge of company registration.

Mr Mike Nowill has heen appointed managing director of TALKLAND. He was previously managing director of Designcall a company which was acquired by Talkland in early 1988.

ALEXANDER STENHOUSE UK has made Mr Terry Miles an associate director-international

Mr Anthony Davenport has joined RICHARD ELLIS as finance director. He was chief manager (financial control) at Lloyds Bank.

TEMPLETON UNIT TRUST
MANAGERS has appointed Mr
Alistair T. Galloway as compliance manager. He was with
Adam & Co. Mr David B. Cullen
has been appointed an invest. has been appointed an invest-ment analyst. He was with Brit-ish Investment Trust.

# London hotel refurbishment

SIR ROBERT McALPINE & SONS has been awarded a £4.5m contract hy Crest Hotels for the extensive refurhishment of the Bloomsbury Crest Hotel, London. The contract covers refurhishment of the ground and first floor public rooms, provision of a resconstruction has started with Bloomsbury Crest Hotel, London.
The contract covers refurblshment of the ground and first floor public rooms, provision of a restaurant, bar and fover and construction of an additional floor of bedrooms at roof level. A tower bedrooms at roof level. A tower crane has been installed in the centre of the hotel and the floors and basement of the five-storey facilities being provided to the hotel have been temporarily 1991 World Student Games in strengthened to take the additional loading. The hotel will 50 metre competition pool and remain operational throughout. Work will include installation of a lift, and a marhle-clad frontage with canopy. and basement of the five-storey

ALLEN-FOX CONSTRUCTION, design and hulld division of Wigan-based Allen Group has won orders worth £6m for contracts in the North West and Wales. These include developments at The Kings School, Chester, value £1.4m; factory units at Skypark, Speke, value £1.2m for English Estates; industrial developments at Swansea, value £1.2m for English Estates; industrial developments; warehouse extensions at White-field, value £740,000, for James Halstead; and an office development at Salford Quays for an associate company, Allen Commercial Developments.

\*\*British Gas\*

British Gas\*

British Gas\*

\*\*Construction of a car-tingeway and resurfacing for 4.5 to construct from has been awarded six contracts to talling and the duall-ting of the A26 (Antrim/Bally-mena) trunk road for the Department of the Environment comprises construction of a car-tingeway and resurfacing for 4.5 to contract from has been awarded six contracts to talling and the duall-ting of the A26 (Antrim/Bally-mena) trunk road for the Department of the Environment at Swansea, value £1.2m for Enterprise Zone Devlopments; warehouse extensions at White-field, value £740,000, for James Halstead; and an office development at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at Salford Quays for an associate company, Allen Comment at mercial Developments.

swimming pool and leisure complex, also being hulit by Mowlem Management, is one of the major facilities being provided for the 1991 World Student Games in

contract to build six high-tech-nology office units in the Gillang-ham Business Park. In Pier Road, ham Business Park. In Pier Road, the company is huilding a £1.5m head office for Akzo Chemicals. A £3.7m contract has been placed by the Property Services Agency to construct junior ranks angle living accommodation building at RAF Manston. In Canterbury, the company has signed a £1.2m contract with Ford dealer Invicta Motors, to construct a sales and service complex. Work has service complex. Work has started on the 90-week contract, started on the 90-week contract. Wiltshier is building a £2m bowling centre in Bexicyheath for Carter Commercial Developments, and has been awarded a further £580,000 contract to fit out the superbowl for its occupiers, First Leisure Corporation.

include refurbishment of n ser-MOWLEM MANAGEMENT has JOHN E. WILTSHIER GROUP vices bridge, for British Nuclear vices bridge, for British Nuclear fuels, at Sellafield, (£1.1m); and a secured orders worth more been awarded a £2m contract by has secured orders worth more construction of Bubbles Leisure building contract for a large building swimming building contract company. In Gill-pharmaceutical company in Gill-pharmaceutical company has won and hiockwalls, at the Abbotswell involved with in the North of opments has nwarded a £3.7m Chester, (£823,000).

# The European breakthrough in compatible systems.

In Information Technology, the forward-thinking solution is totally European. With 18 years accumulated PCM experience. The complete security of BASF and Siemens backing. A case-proven superiority of service and support. And a rationale that every board member understands: cost effectiveness.

The solution is COMPAREX.



A BASF and Siemens Company

COMPAREX Informationssysteme GmbH Gottlieb-Daimler-Strasse 10 6800 Mannheim Teleton 0621/40 09-0

# THE DEFINITIVE GUIDES TO INVESTMENT

TOWARDS A SINGLE **EUROPE** 

The Financial Times proposes to publish this survey

WEDNESDAY 20th JULY 1988 For a full editorial synopsis and advertisement details, please contact: **RUTH PINCOMBE** on 01-248 8000 ext 3428

or write to her at:

Bracken House 10 Cannon Street London EC4P 4BY

**FINANCIAL TIMES** 

#### ■ THE UNIT TRUST YEAR BOOK 1988

tables for nour individual unit trusts, sector personnance and managament groups, the Year Book offers a westith of statistical information on which investors can base their choice. Whether you are interested in capital growth or high income yields, the Unit Trust Year Book provides the essential information to help you make the right

investment decision.

All the svalishie unit trusts are analyzed in a format that enables you to compare them quickly and easily.

Extensively revised and updated, the Unit Trust Year Book is the essential guide to this fast moving industry. Private investors and professional advisers will benefit from the comprehensive analysis of the unit trust scene.

#### ■ THE INVESTMENT BOND YEAR BOOK 1988

Designed as a companion to the successful Unit Trust Year Book, overtunent Bond Year Book fills a major gap to the published mation svailable on investment hours and the linked insurance

All the spanned mentance trains and easily.
Investment bonds are an increasingly important of
the investor. This book from Financial Times Busine

Order Form

| Please return to: (Mail order address only) The Marketing Dept., Financial Times Business Information 7th Floor, 50-64 Broadway, London SW1H 0DB |
|--|
| 7th Floor, 50-64 Broadway, London SW1H 9DB<br>Tel: 01-799 2002.  |
| Please note payment must accompany order. Prices includ  |

| I enclose my cheque value E/USS made payable to FT Business Information. |
|--|
| I wish to pay by credit card Usa Access Amex                             |
| Card No.   |

| b of balk |
|-----------|
|           |
|           |
|           |
|           |
|           |

Signature.
Please allow 28 days for delivery. Refunds are given on books refere condution and within 7 days of recept. Office: Bracken House, 10 Can in England No. 980896

# You can build more modern, sophisticated hospitals

Next year we're opening two more sophisticated BUPA hospitals—in Leeds and Leicester.

Since 1957 we've been at the forefront of the development of modern independent hospitals. Hospitals where doctors and nurses can work to the best of their ability, with the perfect environment for patients to recover.



this survey

umt detaik,

UIDE

YT

1954

غيم) وين

. 3.8 FASTE

- 35年(34년 - (174<u>年)</u> - (184**年**)

436 1986 **(** 

n in the party of the party of the party

; ; ;

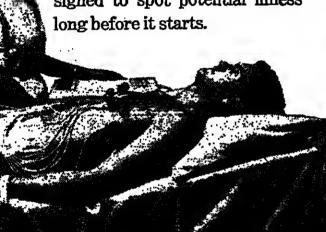
a Lorent Par

Order

Form

#### You can set up Europe's largest health screening network

We firmly believe that prevention is better than cure. That's why BUPA pioneered health screening in Britain, and today we run 22 screening centres. Thousands of people every week choose from our range of comprehensive screening services designed to spot potential illness long before it starts.



#### You can protect people on holiday or working abroad

Our BUPAtravel and international schemes have for many years been giving people abroad the peace of mind of medical cover should they need treatment.

# You can work hand in hand with the NHS

It's in everyone's interest when BUPA and the NHS work together. For example, we have provided a £1 million lithotripter (which removes kidney stones without surgery) for St Thomas'

# Look what

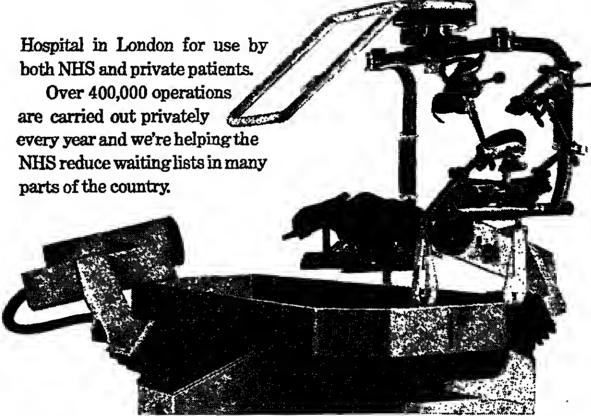
# you can do when

you don't

# take a profit.

BUPA is a not-for-profit association.

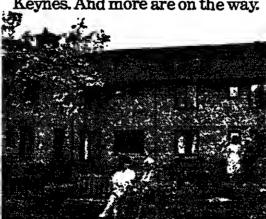
That means, with no shareholders to pay, there's no-one to take a profit. So after caring for our members' needs today, we can reinvest any surplus to help care for their needs in the future.



St. Thomas' lithotripter

# You can build quality homes for the elderly

BUPA's first purpose-built residential home is in Milton Keynes. And more are on the way.



Such homes provide a friendly and caring environment, whilst respecting the individual's wish for privacy and freedom of choice.

# You can develop occupational health services

Every year, over 100 million working days are lost by British industry through minor illnesses. Our occupational health service advises companies on everything from stress, ergonomics and health legislation, to setting up a medical department.

#### You can offer nursing care in the home and at work

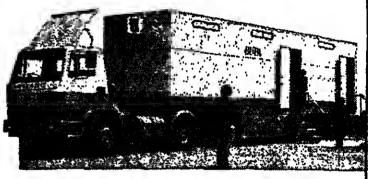
Our national network of nursing agencies can meet all your nursing needs, with Home-Care Services for the elderly, new



as the special requirements of hospitals and industry.

# You can bring health screening to the community

Our fleet of mobile screening units travel the country bringing BUPA's services right to where they're needed most. They carry out breast screening and chest



X-rays for individuals or for employees of companies wanting to look after staff health.

# You can give peace of mind to over three million people

Today, BUPA protects well over three million people.

Individuals looking after their families, the self-employed safeguarding their livelihood or companies wanting the best for their employees, all benefit from BUPA membership.

We provide them with local advice and prompt claims payment from branches all over the country.

It's not surprising that most people choosing private health care join BUPA.

If you'd like to know more about BUPA then call 01-200 0200. You'll be amazed what we can do for you, when no-one takes a profit.



BUPA, Provident House, Essex Street, London WC2R3AX

is financed and structured in much the same way as most ven-ture capital launches. But it owes its existence not to the initiative of an entrepreneur spotting a market opportunity and putting together a company to exploit it, but to the efforts of the SDA

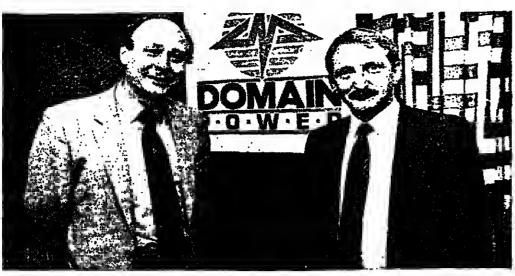
No one involved in it - including its managing director and part owner Martin Gregson, who took the post after an elaborate selection procedure - believes it could have got under way with-out the SDA's help. But they also believe that it is as viable as if It had sprung spontaneously from the private sector.

While Scotland has been very successful in attracting foreignowned companies to set up manufacturing operations, these plants have not, as was once hoped, led to the creation of a strong indigenous electronics industry, in fact a 1986 study by the SDA - the Electronics Indus-try Database - showed that no less than 72 per cent of Scotland's electronics output was produced by companies which had head-quarters in the US, and only 12 per cent of the industry's inputs are sourced from Scotland.

Furthermore, the study identified several products which the major companies specifically said they would like to be able to obtain locally - including switch mode power supplies (SMPS), the device which every piece of data processing equipment needs in order to convert mains power into usable form,

The SDA's electronics division pursued the issue further: SMPS had formerly largely been produced in house by original equipment makers, but over the past decade the original equipment manufacturers (OEMs) - such as International Business Machines, Digital Equipment and Hewlett Packard — had gradually switched to buying in SMPS as a commodity from outside sources. and were obtaining them from areas such as Italy, Spain and the Far East, though with some from the south of England.

However the major Scottish-based manufacturers declared that they would like a source within Silicon Glen with all the advantages of convenience for design collaboration, the rapid resolving of problems and the



# Filling a supply gap in Silicon Glen

James Buxton explains why the Scottish Development Agency promoted the creation of an electronics component maker

gap, why wasn't it being filled? -especially as the SDA had high-lighted it in its published study. "There were companies with the capacity to do it," says McLaren, "but it wasn't compatible with their product lines and the way they operated." For example, the leading Scottish-based company with the appropriate capacity -SCI, an offshoot of an Alabamabased concern - normally mannfactures under contract for other

We could have asked Locate in Scotland - the SDA's inward investment arms - to find a for-eign company that wanted to come in and fill the gap. But that would just have become an assembly operation with design and development taking place elsewhere," says McLaren.

Instead the SDA commissioned a detailed business plan for the

12 and 15 per cent a year. "We company that would manufacted that this did look like a ture power supply equipment, real opportunity," says Ian McLaren of the Electronics Division.

About 150 people replied, "some of them prepared to invest about £100,000," according to McLaren. wenty-five were interviewed.

The SDA eventually chose Mar-tin Gregson, who worked for SCI as programmes manager respon-sible for dealing with multinational company customers. Ironically Gregson had already been involved with the project since the SDA had come to SCI to ohtain costings for a potential product. "The ad was the official point of contact between me and the SDA," says Gregson, "but I knew it was coming."

Gregson was given the business plan and developed it further: the idea was for a company that would design, market and do final assembly of the products, though most of the manufacturing would be done under under subcontract by other Scottish manufacturers, such as SCI, Timex or Avex which have proven reputations with the mul-tinationals. The SDA helped Gregson put together the team of

Why did the SDA help assem-ble the executive team? "Normally an entrepreneur comes to us with a ready-made team," says McLaren. "But in this case we'd pincked Gregson ont of a company. Also we were planning to be investors in the scheme so we wanted to be satisfied with the management team. Gregson could have assembled the team on his own - hut it would have

expressions of goodwill - but not commitments to purchase - from potential customers among imprimatur of the SDA. This, Gregson says, "provided a higher comfort factor."

people with regard to start-up manufacture, especially the metal bashing end of electronics. design collaboration, the rapid resolving of problems and the venture from Arthur Young, the move to just-in-time manufacture. The Scottish market was estimated at over £50m, with that in the UK as a whole at £150m and the total EC at £1.3hn, with and the total EC at £1.3hn, with an anage and invest in a ment, who is technical director.

Times, the Scottish press and accountants when it was ready, by March 1987, the SDA placed tor of Powerline, a USM company and the total EC at £1.3hn, with an accountants. When it was ready, by March 1987, the SDA placed tor of Powerline, a USM company and the total EC at £1.3hn, with an accountants. When it was ready, by March 1987, the SDA placed tor of Powerline, a USM company in a couple of weeks. In this husifor a government agency to ness it take three years to make a along, or whether the best business plan for the resolution for just to find a fast food chain they can see whether it will be a success or failure of Domain accountants. When it was ready, by March 1987, the SDA placed tor of Powerline, a USM company and the total EC at £1.3hn, with a fast food chain they can see whether it will be a success or failure of Domain accountants. When it was ready, by March 1987, the SDA placed tor of Powerline, a USM company in a couple of weeks. In this husifor a government agency to mess it take three years to make a leading return and five years to make a along, or whether the executives, including marketing with a fast food chain they can see whether it will be a success or failure of Domain accountants. When it was ready, to refur the food chain they can see whether it will be a success or failure of Domain accountants. When it was ready, to refur the food chain they can see whether it will be a success or failure of Domain accountants. When it was ready, to refur the food chain they ca

October stock exchange crash and the well publicised rescue of a Scottish electronics start-up company named integrated Power Semiconductors which, despite its name, made a com-

pletely different product.

In the end only Investors in
Industry (3i) joined the SDA's
investment division and the executive team (who have 40 per cent of the shares) as equity investors. The SDA expects a similar rate of

return to 3i When Barclays Bank was approached to be the company's banker it proposed leasing arrangements through Barclays Mercantile Business Finance which obviated the need for fur-ther venture capital. The com-pany is capitalised at about £500,000 and the total financial package amounts to £1.83m.

Domain, the name of which is reputed to be anagram of those of lan McLaren and Dominick McKay, the two SDA officials who parented it, was formally launched last month and is now operating from temporary prem-ises in Greenock before it moves

into a nearby custom-huilt fac-tory later this year.

It is currently designing prod-ucts, quoting to customers both in the UK and the EC and building samples, before beginning manufacture later in the year. It will be able to manufacture to a customer's specifications or design products to meet a customer's needs, whether spelt out in detail or only roughly. It expects to employ about 40 peo-

Gregson says that inquiries received so far have exceeded expectations by a factor of three. He believes the company could get 5 per cent of the expanding UK market by the end of the fift! year, implying turnover of £10m

McLaren admits that companies already supplying Silicon Glen and the other markets in which Domain wants to operate taken three times as long as he will not sit idly hy as the new was still in his job at SCI at the time."

By the middle of last summer he believes that Domain will By the middle of last summer he believes that Domain will the team was in place and the have a snbstantial advantage search for funds began, aided by through being a local and EC based concern in a market that is rapidly expanding.

The cost to the SDA of getting

the multinationals in Scotland, Domain going is put at less than and the financial backing and £100,000, some of which it should recoup from the company. The agency is now continuing what it comfort factor."

Calls its "pro-active" role by
However, he adds, "the venture working on two other projects to
capital world is not generally the
most enthusiastic collection of electronics industry.

At a time when businesses in Scotland are increasingly expected to stand on their own feet the

#### Capital gains

# Changing the ground rules

Richard Waters explains why income can look better than capital

At its most extreme, this shake-up could lead to the winding down of capital in many prirather than withdraw it as income has been substantially undermined. And locked in capital sains stretching back years tal gains stretching back years may now be freed without tax being applied to the increases in value caused only by inflation.

"The ground rules are changed by the Finance Bill," says Roger White, head of tax at accountants Peat Marwick McLintock. "All the legislation in the taxes acts is aimed at preventing people from turning income into capital. That is now turned upside down."

Three major changes in tax law have brought this about. The first is that since April 6 capital gains have been taxed at income tax rates rather than the flat 30 per cent applied previously. That means 40 per cent for a higher-rate taxpayer (anyone earning over £19,300, in addition to their personal allowances, in 1988/9). But the first £5,000 of capital gains in any one year are tax-free, so there is still some incen-tive to accumulate capital.

free of tax. Those accruing since then qualify for indexation relief, meaning only real as opposed to inflationary gains are taxed.

And third, the lowering of the top rate of income tax to 40 per

These changes are forcing company directors to consider the extent to which they should take income out of their business as company in the form of a diviopposed to accumulating capital,

 The attractions of building np The attractions of building up that take credit relates to the capital in a company rather than advance corporation tax paid by withdrawing it as income have waned. Last year capital gains dend. This can be set against the attracted only half the top marginal rate of income tax of 60 per cent; this year they are taxed the taxed the taxed the taxed the taxed the taxed taxed the taxed taxe

THE PINANCIAL relationship The \$5,000 annual capital gains between many UK small compatax exemption should not be nies and their directors has been overlooked, though. With careful changed fundamentally by this planning, a proprietor could year's Finance Bill. release his shares over a number of years to use up this tax-free

band each year. The balance between income kept in a company attract corpo-ration tax the year they are earned and capital gains tax when shares in the company are disposed of — an effective tax rate of 61 per cent compared with 54.5 per cent before this year's Budget, assuming top rates of income and corporation tax.

McLintock Taken together, these factors will encourage company directors to withdraw profits each year, prefering to finance their husi-nesses through borrowing – provided lenders are happy with the new financial structure created.

income and corporation tax, according to Peat Marwick

#### Taxed twice

The double tax problem also has a bearing on a company's assets. If these are likely to appreciate in value, they are better held by the individual than the company. Capital gains made by a company are effectively Second, all gains that accumu- by a company are effectively lated before March 31 1982 are taxed twice, once when they arise and a second time when the company is sold.

In addition, the abolition of pre-1982 capital gains on assets should encourage some compa-nies to realise locked in gains cent means that the top marginal which previously would have rate of tax paid by many small attracted too high a tax charge to company directors is just 2.5 per make this attractive. cent more than that paid by their • A question for the directors of

family companies is how to sell or pass on their company.

company in the form of a divi-dend before the sale rather than and the form in which they are sell it intact. The capital gain on paid, how they should dispose of a sale is taxed at 40 per cent for a or pass on their business at the lowest tax cost; and whether they idend carries a tax credit of 20 should conduct their business in per cent — meaning that the corporate form at all. Taking recipient then effectively only pays 20 per cent tax. The tax credit relates to the

on capital without paying inheritance tax, points out David Roth-enberg of London accountants Blick Rothenberg.

The older generation can pass very substantial value on to the next generation by the simple procedure of the older generation walving any entitlement to divi-dend and the company then pay-ing dividends out," says Rothen-

This year's Finance Bill also extends the retirement relief on the disposal of a husiness. This is available to anyona who has

reached the age of 80 or is retiring through ill health.
Under this concession, the first £125,000 of a gain from the sale of business is tax-free, while only half of the next £375,000 is taxed. Gains of more than £500,000 are taxed in full.

This means that a capital gain of £500,000 would create a liability to tax of £75,000, compared with the £150,000 tax liability that would have arisen under the previous tax regime.

 The question of whether the husiness should be conducted in corporate rather than partner. ship or sole-trader form depends on the effect of the new, lower

top rate of tax. For businesses expecting to make and retain profits of more than £100,000 a year, it is unlikely that there is any tax advantage in starting up as a company, says Leslie Livens, tax partner at accountants Moores & Rowland.

He reasons as follows. The first £100,000 of profits are taxed at 25 per cent (the small companies rate). But anything between £100,000 and £500,000 attracts a marginal rate of 37.5 per cent (after £500,000, the rate settles down to 35 per cent). This steep marginal rate brings the overall tax rate of a small company closer to 35 per cent the nearer lt gets to profits of £500,000.

A 25 per cent tax on retained earnings rather than the 40 per cent top personal rate paid by sole traders and partnerships has strong attractions.

But at higher marginal rates of corporation tax, the benefit diminishes. When taken with the huilt-in costs of the corporate form - the administration costs, audit fees and PAYE obligations - there is little advantage in

used in some companies to pass ation outside the corporate form.

Successful Specialist Temporary Recruitment

Consultancy -

Ternover in excess of £2 million

with excellent growth potential. are considering option towards

amalgamation, joint expansion

or buy out. All options considered. Principals only.

lo first instance contact

Robert M. Woolfson, F.C.A.,

Partnership, Chartered Accountants,

Oxford House, 9-15 Oxford

London WIR IRF

. .

.

 $(\Xi_{2,1})_{i\in \mathbb{N}}$ 

# **Business Opportunities**

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

#### **Machine Servicing Installation and Repair**

Does your company need its own service network? Would you like to give your customers a better service?

Is "own engineers" at present uneconomic for you?

Multi Service (UK) Limited is a significant name in nationwide service engineering, offering an efficient, quick and reliable network of service engineers to meet a wide range of needs. Spares distribution and control are also provided.

Multi Service is now part of the fast expanding Self Serve Hygiene group and carries out installation and repair work for leading suppliers of machines including coffee making, glass washing, hand drying, vending and kitchen equipment. Skills include electrical, mechanical and plumbing. If you need national or regional servicing, we have the network you want. Contact Norman Kaphan, Managing Director of Multi Service, to see if there is the fit between your need and

Multi Service's service. Multi Service (UK) Limited Central Avenue

East Molesey Surrey, KT80HH Telephone: 01-941 3033

#### SUCCESSFUL FREIGHT FORWARDER **IATA TOP TWENTY**

Needs critical mass. Gross Profit above industry norm. welcomes opportunity to purchase complementary operation or would merge for merge for mutual benefit. Would also consider partner, i.e. exporter with quantity air and sea movement. All replies in strictest confidence to Chairman Box F8219, Financial Times, 10 Cannon Street,

London EC4P 4BY.

### Management **Buy Out?**

OUT OF DATE AND INEFFICIENT FREEHOLD PREMISES? Why not raise immediate cash against a snort term lease-back of 1-3 years. We make quick decisions in the

range C 2m - CSm.
Please contact our Managing
Orector in absolute confidence. FLEETWAY FLEETWAY PROPERTIES PLC 79 Knightsbridge London SWIX 7RB Tel 01235 8424 - Fax 01235 8486

"Back to Back Letters of Credit

International Trade Finance Sourcing and Procurement For full details without obligation contact: McDonald Scales & Co Limited 65 Carshelton Roed, Sutton, Surrey SM1 4LH, UK. Tel: 01-643 1151 Tbc: 26650 Fax: 642 0454.\* VCR, 2 Besten Road, Healey on Thuman RG9 1DV Tel: 6491 579999 A member of FLMBRA

#### The taxation climate has never been better for you to consider

SHOULD YOU SELL?

The taration climate has never been better for you to consider disposing of your business following the radical changes to capital taxes announced in the Budget, and whether you wish to take advantage of the fact that gains accrued prior to April 1982 will now be exempt or the substantially improved retirement relief provisions, we are well placed to assist you.

We have an increasing demand for established, well managed private companies in most sectors which we are presently unable to

meet so, if you want to crystallise the substantial capital tied up in your business at an historically low tax charge, contact us immediately for a confidential discussion.

Kevin L. Billings/Robin N. Cooke

Ackrill Carr plc | Groporate Fluence Division | Tricom House, Hegley Road, Five Woys, Emmirgham B16 8178. | FIMBRA | Fac 021-456 1363. | Fac 021-456 1524

We are seeking a working equity partner to invest along side ourselves in a company being established to supply a revolutionary new product to the building industry. This product is already extensively used in furniture production and has the potential for substantial seven figure sales within the building trade.

BUILDING PRODUCTS

A detailed business plan has been drawn up, machinery ordered and a complete sales and production team recruited. The investor will need to put up between £50-80,000 for a 50% stake and must be prepared to devote his entire time to this product in the capacity of Managing Director. This opportunity will suit an individual with proven management experience who is seeking a viable proposition together with a Financial Partnership.

Write Box F8218, Financial Times, 10 Camon Street, London, EC4P 4BY.

FINANCE FOR EXPORTS IMPORTS & UK TRADE

BACK TO BACK LETTERS OF CREDIT Finance suited to your requirements ELKA FINANCE LTD. 8/14 Orsman Road, London, N1 5QJ. Tel: 01-729 0405 Telex: 268600

Additional Trade Finance Imports/Exports
Provided By

**MARKITEX** ELetters of credit Extended payment terms Elodividually tailored facilities Designed to
Support Sales Growth

Incorporate and manage companies in;
UK. Isle of Man, Clieratar. Turks,
Angulla, Channel Islands, Panasas,
Liberia, Sang Kang etc., and provide
full domiciliary and nomines services.
Brochure and details of fees from:
Springsfield Court, Haw Castilotuwn
Road, Desging, July of Elan.
Tel: 0624/26006 Fars: 0624/20066
Tulert: 628554 ICSIONE Q International Company Services (UK) Ltd., Standbrook House, 2-5 Old Sond Street, London W1. Tek 01-493 4244 Faz: 01-491 0605 Tix: 28247 IGSLDN G

LOOKING FOR A BUSINESS? If you want to bey or back a besiness Venture Capital Roport gives details of 450 specific opportunities pa

INTERNATIONAL

COMPANY SERVICES

LTD

SWAPS. All "Discount " currency offers considered. Exchange for Swiss Francs/USD. or other currencies. Large amou

**CURRENCY** 

**English** Solicitor With experience in

Commerce and Property now living in Palma De Mallorca seeks interesting and remunerative connection with person or company requiring representation in Spain.

Spanish Speaking. Reply c/a Harewood House Longparist, Hampshire or b FAX to 010 34 71 451565. shire or by

MORTGAGES AND **RE-MORTGAGES** From 9.5% fixed

Tel 61 546 8857 Maybury & Company thee Brokers, 16a St. Innoes's St. London, SWI A member of FIMBRA

#### SHARES - from Percival Software Limited

A computerised share registration system - menu-driven & multi-user, enquiries, audit-trail, certificates, dividends, annual return, bonus issues, etc.

aged analysis of contingent liability, account statements, on-line information. EQUIPMENT from stand-alone PC for modest in-house requirements to multi-user UNIX or XENIX systems for targer registrars or bureaux.

CONTACT Chris Richardson on 0793-771959, or Telex 94013651 GRYP G.
11, The Common, Purton, Swindon, Witshire. SN5 9HD.

the sale of freeholds and leaseholds. Completion arranged simultaneously with acquisition of business.

145 Kensington Church Street, London W8 7LR Tel: 01-221 1544

"FINANCIAL SEVICES

with Business Publishing Interest (full AFBD approval) seeks fluonesal investme to failfil its growth potential. Equity state available.



Tel: 01-861 2727

Enquiries to: Westbury Scholtman & Co., 14/18 High Holbers. London, WC1V 6DB Ref: KG.

ENGINEERING PROBLEM SOLVER looking for a Business Pariner who has good corporate contacts.

> Dr. Josef Mannah, P.E. 3750 Midvale Avo. Los Augeles, CA. 50034 Fact (213) 553-4851 USA hie gementees provided with out cellai-tapital only) for 10-20 years bank toens. Yapahan AG. 8718 Scheenis (Seltzer-

RECURRE DEVELOPMENT CAPITAL? Surjug or setting a Business? Gerhoft Bentley 01-745 9720

NOMINEE REGISTER monitor nominees and beneficial owners, automate section 212 notices and reminders, analyse

up to nine years history, account statements, automatic update of trustee account, detailed SAVINGS RELATED AND EXECUTIVE OPTION SCHEMES

#### **MANAGEMENT BUYOUTS**

Funds are available to assist management buyouts by

Replies received in confidence. Contact, Mr C C Tett, U K Land plc

**GROUP OF COMPANIES** 

Write in strict confidence to Box FE211.
Financial Times. 10 Cannon Street,
London EC4P 4BY".

CORPORATE FINANCE UNLIMITED FUNDS AVAILABLE FOR ASSET BASED LONG TERM PROJECTS INTEREST RATES FROM 1% OVER LIBOR HARROW FINANCE

Music Business Professional with proven track record/ excellent refs, seeks investor to start new recording/publishing company. This is an excuting and potentially very rewarding opportunity.

Superb international track record in analy-ms of space and automotive vehicles.

**EMPLOYEE SHARE SCHEME** 

**FINANCE YOUR STOCK** 

We offer a unique stock finance

facility to manufacturers and

merchants and are seeking to expand our client base.

If you require stock finance please apply in writing to:

Churchill Merchanting Limited, 136 Buckingham Palace Road, LONDON SWIW 4SA

ENTREPRENEUR

LAWYER Seeks proven ambitious managers with scrious commercial propositions Preferred industries: Property, Services, Leisstel/Arts, darketing, All serious, proposals considered. CAPITAL AVAILABLE.

Expects To South Africa

Expects 10 South Arrien
Our client based is South Africa wishes to
increase their portfolio of equipment and
consumptibles used in steam generation and
process plant fields. Any UK manufacturer
wishing to explore this matter larther
should stitistly consact: Mr A Draper,
Managing Dwestor, Millfern Limited,
Lodustrial Agents and Consultants.

Telephone: 9773 693996 Fax: 9773 696915 Telex: 377756 MILLFRIN G

MORTGAGES

Apply to:
HRISCH
Byrape's Leading Financia Consultante
HRISCH STT (Financia) Swydosol LTD
Tal: 81-425 (Egt Faz 455-6418

nerolei & industrial Properti se rates 5/10 years, interest . Minimum Joan (250,000)

#### ARE YOU SEEKING U.K. OR EUROPEAN ACQUISITIONS?

We manage projects to identify and accounts corporate acquisitions for elients worldwide who actively suck expansion in UK and Europe.

Specialists in Financial Services, Securities, Media, Manufacturing, Renall-Wholesale Dustribution and all Service businesses.

Transactions from Elm. speards, Funds available for acquisitions and management buy-outs in the UK and throughout Europe.

Alan L. Taylor BA CA. InterCo Investments Ltd., Practitioners in Corporate Development 85-87 Jennyu Storet, London, SWIY 640. Tel: 81-930-8138 Fax. 01-930-8751.

#### SALE/MERGER OPPORTUNITY

Principals only apply to: Box F8205 Financial Times 10 Cannon Street, London, EC4P 4BY.

**INVESTMENT PRO** 

20 years international experience, special expertise Asia/Pacific, first-class top-level contacts, would be interested in small partnership or team arrangement based on old-fashioned values. Capital available for the right chemistry. Write Box F8201, Financial Times, 10 Camon Street, London EC4P 4BY.

> MODULAR DISPLAY SYSTEMS

Regional Distributors wanted for well established range of lightweight Draphay Systems, useful for exhibitions, retail windows etc. Excellent discretal windows etc. Excellent discounts available on highly competitive retail prices, and exclusive territories can be negotiated. Write Box F\$266, Financial Times, 19 Camon Street, London EC4P 4BY.

EXPERIENCED SENIOR EXECUTIVE

Offers services on temporary or part line basis or as Non-Executive Director. Practical help on strategy, planning, organisation, business development, teaking it happen. Specialises in manufacturing based companies. O oud financial expertise. MIDLANDS & NORTH Confidentiality guaranteed. Contact Box FE287, Financial Times, 10 Calman Street, London, EC4P 48Y,

West of Scotland financial services intermediary (fully nuth. by fimbra), with associated general insurance consultancy, requires to merge or reverse ioto PLC to facilitate expansion plans.

LENDER WANTED

EARN A POSSIBLE 5 MILLION DOLLARS COMMISSION for 50-500 Million U.S. dollars 100% secured by major world bank guarantees 10/20 years, 71/2% interest. Direct calls only: (201) 573-6764 USA

#### DIRECTOR REQUIRED

"East Sustex Company sceking to promote property related investment schemes, needs a part-time or property development trading Write Box FE209, Financial Times, 10 Cannon Street, London, EC4P 48Y

#### HUNGRY ENTREPRENEUR

Successful Property Sales Company. Strong Management Team Require expansion capital Circa £750K

Cali 01-740-4024.

#### **Business Opportunities**

LEISURE OPPORTUNITY

A company in the leisure field wishes to acquire an interest in another also tessure orientated with a view to floration on third market. Please Write Ban FROM, Financial Times. 18 Cannag Street, London, EC-4P 48Y.

**MAJOR LENDERS** WANTED

Growing American-Company seeks \$10 million loan interested lenders please send inquiries to The Benerity Corporation P.O.Box 948. Manhistoni, Ma 91945 USA.

#### Franchising

ACCOUNTANTS OVER 33

With the RBS Associate Scheme you can work for yourself, enjoying

independence, job satisfaction and high earnings from a practice <u>owned</u> by mail. Toquality, installinestiment of £10,000 – £15,000 nd accountancy expenence essential. Conject RBS for details today. You've nothing to lose but a lifetime of techum.

Jackie Walker, Client Liaison Director, RBS Ltd., 10ept: FT1, Regional House, Troy Road, Horsforth: LEED'S LST8' 5AZ Telephone (0532) 569225

The second secon

Whater to contacted a contacte

Company of the compan

the the one

· 111 1 16 PAZE:

that the se

in the pair

Pateuring

and the second

in the beat

of the corporat

and the state

F PU Small

1 2029

del entre in co

ा अस्तर विका

an interporate Em

- Prisid

17.00

and a presentation

\$ 100 at 100

J. 1864

A. . . orașeă. . . . estand

12 12 1E1

B INTERNA

. C .. Britis

A STREET STREET

LIMI

**VDER** 

TFD

 $\frac{-o(0.18)}{n^{-1}} \leq \frac{1}{2} \left( \frac{1}{2} \right)^{\frac{1}{2}}$ 

CTOR

ي عدي روا

the stage of

1:2:2:

in thiern with a

1 ... }



#### **Business Services**

**PROMOTIONS** 

We specialise in providing, training and co-ordinating sales teams, promotion staff and demonstrators on a daily, weekly and long term basis.

NATIONWIDE INSTORE PROMOTIONS EXHIBITIONS TRADE SHOWS

Ours is the most dramatic and direct of all the advertising media ideal for: PRODUCT LAUNCH
PUBLIC AWARENESS
CAMPAIGNS + INCREASING
MARKET SHARE

Our service is professional and cost effective, if you feel your product or service could benefit from demonstration or promotion please contact:

Mark Hutchcroft or Julie Smith

Primeline Limited Regents Avenue Palmers Green London N13 5UR. Tlx:262109 Primel G

Tel:01-889 3444 Fax:01-881 2428

M.D.'s - want more

SALES?

Top Consultant will improve the effectiveness of your Sales and Marketing Operation. Excellent Track Record First hand experience in most markets. Practical Cost-Effective approach with Guaranteed Results. Ring Bill Ward am 0276 61462/681628 Today and discuss your problems. Telex 8950511 G Fax 0276 691734

WE ORGANIZE

Conferences, Conventions, Meetings, Seminars, Exhibition Company Presentations, Spor

Newcomers to London Limited 10a The Mail London W5 2PJ Telephone:01-5797(0) Telephone:01-5797(0) Telephone:01-5797(0)

LIMITED COMPANIES

U.K. and International isle of Man & Non-Resident

*IIIEXPRESS* 

COMPANY RESISTRATIONS LANTED . worth House, 25-35 Cay Rd, London EC1Y 144 Telephone (11-588-327). Teles 887473

LOCATION CATERERS LTD.,

NOW IN PINEWOOD STUDIOS

Prestigious Venue for your text Function, Conference or Promo-tion, Magnificent Grounds, Restaurant and Private Smites.

Phone Rose Cassidy on (0753) 656951/2 for information.

Management

Courses

COMPUTER TRAINING FOR EXECUTIVES

Out 3 day course gives a first-class, grounding in the capabilities and imitations of word protessing, aprandaheers and databases in the business environment, latensive, individual tuition. Days may be taken together or separately. Come to the experts -

Anthony Cook Associates, Greshers House, 24 Holborn Viaduce, London ECI. Tel 01-248 1108



made listskumedisely svalable. Suppliers to handled UK companies. Free catalogue. Man-just-can, Frjepost Civichester, Sussen. 7el 9245 79571

Conferences

A one-day conference EXIT for shareholders

in private companies TUESDAY 5th JULY 1988

THE WALDORF HOTEL, LONDON This conference will explore the alternative ways that private shareholders can realize their holding. Florations, Rephaceturan Capital, Buy-Guta, Buy-Inta are amongst the options. The programme will include not only experts from Aribar Young Corporate Finance, Capel Care Myess and Middand Montagu Ventures, Ltd. but also two pecifical Case Studies from enterpueneus who have taken different nucles.

routes.
For further details contact: Brends \$27,000d Baropean Study Conferences 1sd., Douglas Bouse, Queen's Square, Corty, Northants NN17 1P1. Teh (0536) 204224 Fax: (0536) 204218





HYDROCARBON POTENTIAL OF THE

SOUTH ATLAS BASINS OF MOROCCO

PETROLEUM PRESENTATIONS TO INDUSTRY

BY

THE ROBERTSON GROUP PLC ON BEHALF OF ONAREP LONDON: GROSVENOR HOUSE HOTEL MONDAY JUNE 13 9.30 a.m. WESTIN GALLERIA HOTEL THURSDAY JUNE 16 9.30 a.m.

Programme outline: - Tectonic Framework and Basin Evolution

Seismic Studies

Petroleum Geochemistry - Petroleum Geology

All enquiries to: M. Mechiche Alami Mohamed (Directeur de Contrats et Negotiations) ONAREP

17 Avenue Michillen, Agdai, Rabat, Morocco. Tel: 010-212-7-72171

Telex: 31715M BUREPET

#### **Businesses For Sale**

BY ORDER OF THE JOINT ADMINISTRATIVE RECEIVERS MICHAEL JEFFREY ISAACS FCA AND DAVID SWADEN FCA in the matter of MAYVIL CHEMICALS LIMITED

OFFERS ARE INVITED FOR THE BUSINESS AND ASSETS OF THE ABOVE COMPANY WHICH MANUFACTURES INDUSTRIAL DETERGENTS, TRADING FROM FREEHOLD PREMISES IN SANDBACH, CHESHIRE AND HAVING A TURNOVER IN EXCESS OF £600,000 P.A.

Enquiries to be addressed to M J Isaacs:

LEONARD CURTIS

Chartered Accountants 3rd floor, Peter House, Oxford Street, Manchester M1 5AB.

Cook Engineering William G. Cook Engineering (Evanton) Limited (in Receivership)

The Structural, Mechanical and Electrical Contracting Business and Assets are offered for

 Assets include: Leasehold Premises, Plant and Equipment, Motor Vehicles, Stock and Work in Progress.

Order Book from Diverse Markets.

Skilled Workforce of 27 Employees.

 Located on the Cromarty Firth (18 miles North of inverness on A9).

For further information please contact T. MacLennan.

#### **△Touche Ross**

66 Queens Road, Aberdeen ABI 6YE. Tel: (0224) 325375. Th: 739900 TRABER G. Fax: (0224) 313611. ised to carry on Investment Business by the last Chartered Accountants in England and Wales.

# LITHOGRAPHIC

**COLOUR SPECIALISTS** 

Leasehold premises near Haslemere. Surrey. High rechnology scanning and colour platemaking equipment.

Recent turnover £340,000 p.a. Enquiries to: T.C. Carter or N.J. Hamilton. Ernst & Whinney, Becket House, 1 Lambeth Palace Road. London SEI 7EU.

Tel: 01-928 zucc. Ernst & Whinney · Accommons Advisers, Consultants -

**ELECTRONIC** COMPONENTS DISTRIBUTOR/IMPORTER

Profitable expanding importer and distributor of components is for sale. Well established and competitive product range. Good management. Please reply to Yorke Business Development Consultants, Silver Birches, Bashurst Hill, Itchingfield, Horsham, W.Sussex, RH13 7NY

#### For sale in North West

Private Ltd Co. Capital £400,000 T/O £4,000,000 gross profit over £400,000 strong financial position no mortgages or debentures, great prospects for Co with established national sales force.

Write Box H3529, Financial Times, 10 Cannon Street. London, EC4P 4BY.

The whole of the share capital of a successful marine mouldings company with an annual turnover of £1.75m is being offered for sale as the owner/director plans to retire in the near future.

The company operates from a 23,000 sq. ft. modern factory on long leasehold. The premises are situated on an industrial estate on the South coast. Price Guide £1m.

WRITE FOR FURTHER DETAILS TO BOX NO. H3528

Sell Companies Nationwide <sup>1</sup>

SELLERS and BUYERS

Contact in confidence DIVERCO LTD. 4 Bank Street, Worcester WRI 2EW. Tel: 0905 22303

This well established, family owned company is in the retail Ladies Fashion business.

There are prominent retail outlets with secure leases in three thriving and active Cheshire Towns. The turnover is approaching £1.4 million per annum. Replies treated in confidence from principals only please. Write Box No. F8198, Financial Times, 10 Cannon Street, London EC4P 4BY.

#### RETAIL COMPANY FOR SALE

Parent Company wishes to dispose of subsidiary Company to concentrate on mainstream activities. The Company operates 7 units within the UK and a joint venture in London specialising in retail confectionery. The Company has the benefit of 7 prime leasehold units, shortited to an extremely high standard. Full management accounts are available. Offers are invited. Please apply to Box H3498, Financial Times, 18 Cannon Street, London EC4P 4BY

SPAIN LEISURE COMPLEX

Excellent track record, very Family entertai Strategic location 100 hectares with full infra-

structure and planning Very interesting expansion opportunities, including hotel and other accommodation.

Principals only please apply strictest confidence to: Box H3517, Financial Times, 10 Cannon Street, London FC4P 4BY

# e know someone who'd give a lot for a business like yours.

As a leading merchant bank, Hill Samuel is well placed to help you sell your company.

We can give you a professional valuation of your business so you'll know what to expect.

We will confidentially seek out suitable buyers. We will also ensure that you get the best possible price.

Furthermore, Hill Samuel will assist you through the final intricate negotiations - to overcome the inevitable problems and to obtain the best possible terms for you and your business.

If you'd like us to help you sell your company, efficiently and discreetly, contact Philip Bonney on 01-628 8011.

#### Hill Samuel & Co. Limited

100 Wood Street, London EC2P 2AJ.

#### **SCREEN PRINTING**

The business and assets of H & W (Screen Process Printers) Limited are available for sale as a going concern

The principal features include:

- # Modern factory/office leasehold unit in Bletchley. Fully equipped preparation room and two modern colour print lices with semi-automatic priot heads and two stage dryers
- Turnover approximately £350,000 p.a. Skilled workforce of 10
- \* Order book and customer lists There are also stocks of 'Unique' display systems.

For further details please contact: J.A.G. Alexander

Peat Marwick McLintock Aquis Court, 31 Fishpool Street, St Albens AL3 4RF Tel: (0727) 43000 ext. 2506 or 01-236 8000 ext. 3157

#### COMMERCIAL VEHICLE DISTRIBUTOR

**Business for Sale** (Based in North West)

The Administrative Receiver is inviting offers for the business and assets of a Commercial Vehicle Distribution Company in Warrington.

Exclusive area Franchise

\*Order Book in excess of £250K

\*Fully Equipped Leasehold, Stores, Workshop and Spraying Facilities



For further details please contact P M Lyon or J Harton at Hemon Lyon & Co., 72 St James Street, Nottingham, NGI 6FJ -Tel: (0602) 413329.

#### **Humberts** Leisure

Substantial pic clients seek 200 - 1000 acre sites for an important leisure development concept

Attractive mature landscape with woodland and/or water,
Up to 2 hours drive distance from major conurbations with good read access.
Preferred sympathetic planning status or existing leisure zoning. Immediate Funds for Acquisition · No Commission Required

Apply in strict confidence to: flumberts Chartered Surveyors National Leisure Division, 25 Grosvenor Street, London W1X 9FE Ref-NECT-PUCMUOL

FOR SALE IMPORTER/MARKETER OF QUALITY TIMEPIECES

Exclusive U.S. agent for European lines.
 Markets Brand Name and Private Label
 Serves high-end national retailers, and corporate awards/recognition markets.
 Excellent key management to place.
 1982 pretax of \$600,000 on sales of \$5,000,000
 Significant growth projected with existing and newly acquired lines.

For more information call: Dong Watson RE: 10744 (201) 692-1600 or write to: P.O.Box 7647 Tenneck, NJ 07666-6886 U.S.A.

ESTABEISHEDEOUESTRIAN MAGAZINE

# Unique full colour glossy with emphasis on

horses and property for sale. ◆ Current distribution 32,000

In house Artwork and Typesetting facilities. A title with a big future, but in need of long term finance. The

Copies 6 France Constant States States Support Group
To copies 6 France Constant States States Support Group

#### SATELLITE TELEVISION WHOLESALE DISTRIBUTOR.

Current 1/0 in excess of £100,000 per month, and showing good profits Business has been established 2.4 years and is expanding rapidly. Good customer base in both the UK. And Europe, Ideal acquisition for p.L. wishing to move into this new consumer market which is poised for explosive growth over the next few years. Offers invited over £750,000 for 100% of company but would consider sale of majority interest.

Write Box F8220, Financial Times, 10 Cannon Street, London, EC4P 4BY.

#### **Multilayer Printed Circuit Board Manufacturer** Chelmsford, Essex

The Liquidator offers for sale the assets and undertakings of Multipress (UK) Limited based in leased premises in Chelmsford, Essex.

- The main features include:
- ► Annual turnover £600,000
- ➤ Current order book £100,000 ➤ Skilled workforce
- ▶ High quality product to British standard 5750 and UL94AVO

Proven manufacturing process. For further details, please contact:

M. Palios, BSc ACA, MIPA, Arthur Young, Compass House, 80 Newmarket Road, Cambridge CB58DZ. Tel: 0223 461200. Fax: 0223 324609.

**Arthur Young** 

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

# HILL SAMUEL

#### FOR SALE Fitted Kitchen Company

Principal features Include:-

- Middle to up-market Experienced management
- Marketing through showrooms
- Growing and profitable Sales over £4 million Positive cash flow
- Strong locations Major growth potential

Written enquiries only to:-S. Clement Davies Hill Samuel & Co. Limited 100 Wood Street London EC2P 2AJ

# DAVID&COMPANY

SPECIALIST NURSING & REST HOME AGENTS & VALUERS Centre Court House, 50.Alexandra Road, Wimbledon, London, SW19 7LB. Telephone: 01-879 1414 01-543 6111/2 Fax: 01-947 5665

As the leading specialised Nursing and Residential Home Estate Agents DAVID & CO have for sale an excellent selection of managed groups and individual homes throughout the UK ranging from £1M - £7M.

Fuller details will be made available 10 "PRINCIPALS" of companies wishing to easer or further extend their portfolio in the field of Residential and Nursing Care for the evergrowing population of the elderly. Contact by either letter or Fax John A Kelly Miss A Lewis

Newly built luxury nursing home Located in Centrel London and registered for 52 convalescent and general nursing patients, the home is purpose built to the highest standard. All rooms have full en-sulte facilities. Projected T/O £1,700,000 P.A.

Offers in excess of £4.7M by 30th June 1988. Principals only in writing to .-David & Company, Centre Court House,

50 Alexandra Road, Wimbledon SW19 7LB

#### MARKETING SERVICES GROUP

Well established specialists in video and conference production, and all aspects of industrial marketing. Enviable blue-chip client list. Trading profit over 17% on turnover of £750k. Huge potential to increase profits and turnover, given access to new prospects and working capital. Present shareholders willing to merge, sell or enter performance-related buy out with right company. Could be same field, or major Ple looking for in-house supplier.

Principals only to company's advisors: Starfresh Ltd, 24 Peel Avenue, Firmley, Surray GU16 5YT.

IRED 1 may 1 mg

VI.RI PRI VELE

PRI D 1818

FT LAW REPORTS

JOBSON v JOHNSON Court of Appeal

(Lord Justice Kerr. Lord Justice Dillon and Lord Justice Nicholls):

May 25 1988

A PENALTY clause in a contract

will not be enforced by the court

beyond the amount of the actual

than purchase monies already

paid by instalments, the clause is

ing an order for payment of unpaid instalments and interest out of the proceeds of a sale of the shares by the court.

The Court of Appeal so held

when allowing, to a limited extent, an appeal by the defen-dant, Mr Johnson, from Mr Jus-

tice Harman's decision ordering specific performance of an agree-

ment between him and the plain-tiff, Mr Jobson, as assignee of the vendor's rights on a sale of

LORD JUSTICE DILLON said

By two documents which had

to be read together the Rubins contracted to sell the 62,666

The first document was a sale agreement which provided for the sale of the 52,666 shares for

£40,000, completion to take place immediately. The second was a slde-letter agreed in consider-

ation of the Rubins entering into

By paragraph 6 of the side-let-ter there were alternative provi-sions for re-transfer to the Rub-

ins of 44.9 per cent of the Cluh's issued share capital in the event

shares to Mr Johnson.

#### **Businesses For Sale**



The business and assets of this long established group with its well known trade names are offered for sale as a going concern. Semtex, the leading contractor in its field, provides high quality specialist flooring and screeding services throughout the UK.

- Order book/workload totalling £2.5 million.
- Blue chip customer list.

For a brochure, or further information please contact David Exell or the joint administrative receivers David Bird and Tony Houghton.

 Forecast turnover £7 million p.a.
 7 regional offices throughout the U.K. Skilled and mobile nationwide

> Registered trade marks. △ Touche Ross

Queen Anne House, 69-71 Queen Square, Bristol BSI 41P. Tel: 0272-211622. The 44365. Fac: 0272 292801.

Authorised to carry on Investment Storious by the Institute of Chartered Accountants in England and Wales

#### E & A WELDING LIMITED

In Receivership



ESTABLISHED GUARD

SECURITY COMPANY

Based Northern England. Turnover £1.2 m+.

First class trading record. Excellent profits.

Principals only.

Reply to Box H3526, Financial Times,

10 Cannon Street, London EC4P 4BY

Frozen Meat Trader

International bulk trader established 1947, based in

Paris. T/O £22 million, net profit £450,000.

Founding family retiring.

Write Box H3416, Financial Times, 10 Cannon Street, London EC4P 4BY

INDOOR MARKET SOUTHALL WEST LONDON

Valuable freehold indoor market, about 15,000 square feet - gross income in excess of £200,000 per annum - approximately 40 stallholders together with office tenants. Company of which this is the sole asset for sale at circa £1.5 million.

Apply to: Chairman Dragou Markets Limited Stationers Hall Court 30-32 Ladgate Hill London EC4M 7ND

LABEL PRINTING COMPANY

FOR SALE

Profits approximately £100.000 p.a. pre-tax Based in

the South East

Write Box H3527, Financial Times, 19 Camon Street, London, EC4P

BUSINESS FOR SALE

PROPERTY AVAILABLE

T/O £100K

Further details un pplication in Box HJ512 Florincial Trans 18, Camera Street, Landon, ECAP 48Y

FOR SALE

Manufacturer of raised modular flooring Turnover £1m p.a. and perating throughout the U.K. with a and customer base in the building and computer industries. Enormous

potential.

Write Box F8200, Floreckel Thees, 18 Chance Street, Levien, EC4P 48Y.

COMPUTER

CONSUMABLES COMPANY

London Based

T/O \$1 million plus, with pre-tax

Write Box H3505, Financial Times, 10 Cannon Street, London EC4P 48Y

profits of over £200,000.

Television Video and Andio

Retail Business

(including rental contracts)

For sale - situated in

Windsor - Gross. Profit

43%

Write Box FE283, Financial Times, 18 Common Street, London, EC4P 48Y

Hand Tool Distributor.

National distributor to automotive after market, D.1.Y.,

Engineers merchants, tool dis-

add on to similar type company.

Write Box No HJS23, Financial Times. 10 Campus Street, London ECAP 48Y

ESTATE AGENT

Small Manchester based

chain. Projected 1988 t/o

£150k.

Write Box H3522, Financial Times, 18 Camou Street, Loudon, EC4P 4BY

tributors, turnover £1.7m. Ideal

The business and assets of this long established structural steetwork fabricators and erectors located in North Wales are offered for sale by its Joint Administrative Receivers.

The company has an annual turnover of approximately % million pounds primarily in the construction industry.

The assets offered for sale comprise:-Leasehold factory premises in Rhyl of 10,000 sq ft including 1,000 sq ft of office space. Plant and equipment for cutting, fabricating, shorblasting and painting structural steelwork Orders in hand of approximately £380,000.

Interested parties should contact the Joint Administrative Receivers:

Cork Gully

John F. Powell and ian N. Camuthers, CORK GULLY. 43. Temple Row, Birmingham, B2 5.IT.

Tel. No: 021-236 9966. Telex No: 337892. Fax. No: 021-200 4040.

KNIGHTSBRIDGE SW1

Video shop. Wideley recognized as the best in London. Exclusive

clientele. Highly profitable with

potential for expansion. G.P. 70%. Prime location. Easy to run.

Long lease. Low rent. Offers over £195,000 plus stock for quick sale.

Write to Box H3530.

Financial Times, 10 Cannon Street,

London EC4P 4BY

**Employment Agency** 

Location

Central Londoo annual turnover

placements.

Write Box FE(40, Flancis) Times 19 Canasa Street Landon EC4P 48Y.

approximately 3.2 million mporary and permanent staff

Cork Gully is authorised by the Institute of Chartered Accountants in England and Wales to carry on investme

#### Licenced Health Club and Dance Studio with

integral licenced private members club in North West Coasial Tourisi Resort, For sale as going concern, management willing to stay for 12 month transition period, Applications in strictest

fidence from Principals only 10 Write Box H3S31, cial Theres, 16 Causeur Loudon, EC4P 4BY

#### FOR SALE

British Public Company (PLC) Authorised Capital £100,000 Paid Up Capital £100,000, £50,000 Cash in Bank Certificate to Trade PRICE: £67,500.

Park Financial & Manage Consultants Ltd Central House 34-36 Oxford Street, Los WIN 9FL Tel: (01) 637 1166 Fax: (01) 631 4418.

CASH AND CARRY SHOPFITTING WAREHOUSES

Unique concept currently trading from a outlets (London and Yorkshire). Suitable for national coverage. Principals only. Quock decision meential case reply to Box FE17, Financial Times to Camou Street, London EC4P 48Y.

#### URGENT SALE

Of unique Directory as going concern due to overseas conterns due to overseas commitments. Advertising afready booked guarantees cash flow upon publication to Sept. Manager/ commission only staff avaitable if required, Ideal for Publisher/ Principals/Agents should call in

01 581 4379.

Hotels & **Licensed Premises** 

#### **Businesses Wanted**

#### HOUSEBUILDING COMPANY WANTED

Redrow Homes are one of the fastest growing housebuilders in the Country currently producing in excess of 1200 units per annum. In order to further our expansion we wish to acquire a housebuilding/property Company. Any geographical location will be considered however, it is of prime importance that the Company cootains an adequate land bank.

Please apply in the strictest confidence to Mr. S.P. Morgan, Chairman, Redrow Group Limited, Redrow House, Alltami, Mold, Clwyd CH7 6RW

Private Energy Supply Group Seeks Similar For Acquisition or Merger Current T/O + £3.5m primarily in solid fuel. We are looking for expansion via ich energy i specialise in Industrial Markets with many blue chip clients. Replies to Box F8224, Financial Times. 10 Causen Street, London, EC4P 4BY.

#### PLASTICS INDUSTRY

Company required, either as turnround or profitable investment, by Group of Companies in plastic manufacturing. We offer management time and experience, and financial investment up to £ 1/2 M.

Write T Bradstreet, Wokingham Plastics Ltd, Fishponds Road, Wokingham, Berkshire, Berkshire, RG11 2QH.

#### Expanding UK based Medical Group

is looking for opportunities in the field of Cosmetic Surgery hospitals (10-20 beds) natural medicines and allied fields, and

would welcome the opportunity of discussing any proposals in confidence. Please apply to Joy Allen, 152 Ashley Road, Hale, Altrinchum, Cheshire, WA15 9SA

**WANTED - QUOTED** 

COMPANY

£500,000 AVAILABLE

FOR EQUITY AND

**BOARDROOM CONTROL** 

Write Box F8222, Financial

Times, 10 Cannon Street, London EC4P 4BY

# COMPANY

KJ Associates Box 35, Apex

House, Edenbridge Kent TN8 6BZ Tel: 0732 862265.

# Subsidiary of PLC

illar markets. Turnover up to £10 million, preferably but turn-around considered.

Write with details to Box H3535, Financial Times, 10 Camou Street, London, EC4P 4BY.

**Asset Backed** Companies

We have a number of PLC's wishing to make acquisitions of:

\* Computer/Telecommunications main-tenance portfolios considered. All replies to Southdowns Associates Ltd., Telephone 961-534-1053, or 961-989-3679. 24 les.

Bank House, 127 High Street, Gredites. EX17 3LO Telephone: 62832 4763

company manufacturer or available.

Choice of remedies for loss on share sale

loss of the party seeking pay-ment. And where the penalty is not money but is a re-transfer of shares to their vendor for less The question was whether it made any difference that the pen-alty in the present case was not a

property by way of penalty on a default in paying money, as if it required a payment of an extra,

principle between a clause which provided that if a person defaulted on \$100 he should pay £1,000, and a clause which provided that if he defaulted on £100, he should by way of penalty transfer 1,000 shares for no consideration. Nor should there be any distinction in principle between a clause which required that in August 1983 two brothers named Ruhin were entitled to 62,666 ordinary shares in Southend United Football Club Ltd.

By two desirables of the defaulter on a money paying the defaulter consideration, and a clanse which in like circumstaoces required him to sell shares to the

decree specific performance of the sale of the shares to Mr Job-

The court could follow the course taken in Dagenham (Thames) Dock Co and offer Mr Johson an order for sale of the 62,566 shares by the court and payment of the unpaid instalments and interest out of the pro-

ceeds, as in the ordinary case of a the re-transfer under paragraph Mr Johnson paid the £40,000

damages in a penalty case so as to ensure there was no enforceprovided for hy the sale agree-ment and the 62,666 shares were ment beyond the plaintiff's actual transferred to him. He defaulted loss, the court could direct inquiin paying the first instalment. A ries to ascertain (i) the present value of the 62,566 shares; (ii) the variation agreement was accordingly eotered into between the present aggregate of the unpaid instalments under the variation Rubins and Mr Johnson. That substituted £300,000 for the instalments under the valuation substituted £300,000 for the instalments under the valuation agreement with interest; and (iii) ter, and provided for it to be paid the present amount charged on the shares under a charging

under (iii) exceeded the £40,000.

If however, that condition was not satisfied, the order for specific performance would have to be discharged, since its enforcement would be the enforcement

Otherwise the court would be lending its machinery to the enforcement of the penal effects of a clause which had been

clearly identified as a penalty LORD JUSTICE NICHOLLS gave

should be set aside, but said that neither of the two alternative remedies offered sufficient justice

now entitled.

In those circumstances in equity Mr Johson was entitled to a further alternative.

Rachel Davies

PRILECT

Opportunity to acquire the business and assets of T. Price and Son (Stampers) Limited in receivership. Manufacturer of the "Prilect" product range of electrical heating appliances based in Birminghem adjacent to the Midlands motorway

Turnover £1.4m.

 Freehold site of approximately 50,000 sq. ft. Strong customer base. Electrostatic powder coating plant.
 Assets available include freehold site, plant and machinery, stocks and work in progress.

> Interested parties should John F. Powell and I. N. Carruthers, Joint Administrative Receivers. 43 Temple Row, Birmingham,

Cork Gully

Tel. No: 021-236 9966 Telex No: 337892

Fax. No: 021-200 4040 Cork Gully is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment

GRIT BLASTING, METAL PAINTING AND SPRAYING

The business and assets of Arnold & Warden Limited a well established company, are offered for sale by the Joint Administrative Receivers. The business specialises in grit blasting, painting and spraying of metal

labrications up to 33 metres long and 22 tonnes weight within its premises at Atherton in Lancashire situated close to the motorway network. Assets briefly comprise:

• Freehold land and buildings of 24,000 square Seet on a 1 acre site. Fixed plant equipment
Turnover approximately 2600k pa.
On-going contracts.
Order book.

For further details contact: Ken Chalk or Michael Whitehead, Spicor & Oppenheim & Pariners, 12 Booth Street, Manchester M60 2ED. Telephone: 061 236 9721

Fax: 061 228 2681 Teles: 666710 ESANO G

SPICER & OPPENHEIM & PARTNERS A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

FOR SALE **PROFITABLE** AGENCY/DISTRIBUTOR **PROFESSIONAL ELECTRONICS** 

Well-established small company with blue chip customer base bolding valuable franchises. Write Box No H3524, Financial Times, 10 Cannon Street,

London EC4P 4BY.

#### **JOINERY COMPANY** FOR SALE

Specialist Joinery Company. workshop, fully staffed, substantial Order book. Turnover approximately £1,25m. Write Box F8216, Florencial Tieses, 10 Causes Street, Landon, EC4P 4BY

**EXPANDING PUBLISHING** BUSINESS Weish Borders, preparation & ibution of National Magazine newspapers, guides, journals, etc. Budgeted T/O £160,000. Offers jevited based on £106,000 for the Goodwill, Fintures & Fittings. (Ref.M012876H),

Contact: E.M.&F.90 Prometer Cheltenham. GL50 INB, Teb 9242-37633/4. **Pressing Business For** 

#### Sale reason for quick sale. £1 million. /endor would accept quoted shares,

Please reply Box No F921-4, Fitu Tipes, 18 Cames Street, London, EC4P 4BV.

#### Majority Shareholding for Sale

In profitable computer maintenance company £125K + turnover. South Coast area. Apply Box F8215, Financial Times, 10 Cannon Street, London EC4P 48Y.

#### FOR SALE FREEHOLD

6,000 sq.ft. of modern factory and 1,000 sq.ft. offices, Manufacturing double glazed conservatories, windows and doors. Established 1968. liford, Essex location. Principals only please Write Box P8202, Flancial Times, 10 Camon Street, Loudon, EC4P 48Y.

FOR SALE Corporate transport department comprising 7 seater Cessna 425, Senior captain and administration services.

Write Box F2218, Figureis' Times, 10 Casson Street, London, EC4P 48Y.

#### Electrical and Instrumentation Contracting Co and Test Equipment Manufacturer Two regional offices in UK. Small but prestigious list of Clients. Present turnover £1.5 million (sterling)

Tix 826233 United Kingdom. Very profitable printing company and plate making company for sale. Modern f/h premises and plant, situated London area

# Product Design For Sale

Write Box F13533, Financial Times, 10 Cannon Street, London, EC4P 4BY.

Domestic Rubbish Compector: Fully designed and costed. Stress analysis completed. Full detailed drawings available ready for manufacture of prototype. Offers invited. Write Box, H3534, Financial There, 10 Casson Street, Leaden, EC4P 48Y.

#### Established **CHALET PARTY** Ski Operator

GP over £150,000 Offers Invited Write Box H3532, Financial Times, II Cannon Street, London EC4P 48V.

Coopers

&Lybrand

Fluid Handling - Acquisitions Our chent, a fully listed pic, is seeking to acquire UK or oversees businesses in the field of fluid handling. It is particularly interested in companies with a turnover in excess of £1,000,000 specialising m

**Businesses Wanted** 

hose manufacturing (specialist products) nose fittings hose assembly

Our client is willing to pay a competitive price for the right business, including earn-out rrangements in appropriate cases. in the first instance, please telephone San Patey (01-822 4703) or Vir Leishman (01-822 4952) in complete confidence. Alternatively, ple ing reference PC 350 to: pers & Lybrand, Plantree Court

GORPORATE ACOUISITIONS& DISPOSALS

ondon ECAA 4HT



#### Recruitment Agencies Wanted

Expanding Pic group seeks to acquire small to medium sized agencies with solid client base and established interviewing personnel,

Write in confidence to: The Chairmao Box F8204, Financial Times, 10 Cannon Street, London F.C4P 4BY.

erly portfolios
We also have ready buyers for profitable compenies wishing to sell in most sectors of industry. Tel: 0625 535733 and ask for Mark Dunn ACA.

#### COURTESY **MAGAZINES** WANTED Major company seeks acqui of courtery/contract magazine

Principals only. Write Box H3521, Financial Times, 10 Centron Street, London EC4P 4BY

PRECISION ELECTRO
MECHANICAL ENGINEERING
COMPANY Outright acutuation of or majority holding in a company haved in Somerer. Hampoints or Dorsel preferably with space Chairman, Box 14213, Financial Vines, 18 Cannon Server, Landon, ECSP 485.

importer substantial funds Write bex F8223, Financial Times, 10 Casmon Street, London, EC4P 4BY

#### CONTROL WANTED OF A SMALL LISTED

Current activities ensure future growth. Replies in confidenct to

Engaged in manufacture of con-sumer durables sold through a wide range of outlets wishes to acquire private companies in

Required, with large contingent or actual tax liabilities. Property companies preferred but any activity

The Better Business Centre Limited The best businesses are available to The Bener Business Centre. All types, all locations, all prices "Profit through experience". Buying or selling connect:

#### WANTED Toy or fancy goods

payment of the £200,000 balance. At the trial be pleaded in defence that the paragraph 6 provisions constituted penalties and were accordingly unenforceable. He counterclaimed that if paragraph 6 was valid and enforce able, he ought to be granted relief from forfeiture of his shares. Mr Justice Harman held that paragraph 6(b) was a penalty clause. He held that the effect was not that the clause was

unenforceable, but that Mr Johnson might, in the court's discre-tion, be granted relief under his

He adjourned the hearing of the counterclaim. Mr Johnson then defaulted in complying with certain undertakings and the counterclaim was struck out. There was no appeal against the striking out.

Mr Johnson appealed against the judge's ruling that although a

penalty clause, paragraph 6(h) created an enforceable obligation from which the only escape would be by relief akin to relief against forfeiture, granted in the court's discretion. Mr Jobson submitted that the law was that a penalty clause created a binding obligation which the courts would enforce

unless they saw fit to grant equi-table relief. If that view of the law was correct, it was argued, it must follow that as the counterclaim for relief was struck out, the court could not give Mr Johnson relief from the penalty clause, and must order specific perfor-mance of the paragraph 6(b) obli-

gation. The ruling that paragraph 6(b) was penalty clause was right. The plain reading of paragraph 6 was that Mr Johnson was to be punished for any default hy being bound to re-transfer the shares at a fixed price which was bound to be less than he had paid.

be less than he had paid.

In Photo-Production o Securicor
Transport [1930] AC 827,850 Lord
Diplock said that an agreement the "must not offend against the equitable rule against penalties; that is to say it must not impose upon the breaker of a primary obligation a sum of money that is manifestly intended to be in excess of the amount which twould fully compensate the other party for the loss aus.

Whether a stipulated sum was a penalty or liquidated damages was a question of construction of each particular contract, judged as at the time of the making of the contract of the contrac

as at the time of the making of the contract, not the time of the

Any court when faced with a claim for money payable no default which it identified as a penalty, must refuse to enforce the penal part of the sum and must give judgment for the claimant merely for the actual damage suffered by him. The relief did not involve consideration of the defendant's circumstances, or of the factors which stances, or of the factors which might be appropriate to a grant of relief against forfeiture.

sum of money. In principle a transaction must be just as objectionable and unconscionable in the eyes of equity if it required a transfer of paid by instalments, the clause is unenforceable in so far as it imposes a penalty but the court may offer remedies to the vendor to the extent of his loss, includ-

> or excessive sum. There was no distinction in

creditor at an under value. in each case the clause ought '...
to be unenforceable in equity in so far as it was a penalty clause. Instances of cases where the pensity had been other than in money for non-payment of money were infrequent. In Dogenham (Thames) Dock Co LR 8 Ch App 1022 the court refused to enforce a penalty clause, but in a context under the side-letter Mr Johnson agreed to pay £311,698 to the Rubins, in addition to the £40,000, by six half-yearly instalments of £51,948.

son at a higher price than the £40,000 so as to recoup what he had actually paid for them, since that would involve it in making a new contract between the par-

of default by Mr Johnson.

Paragraph 6(b) provided that in
the event of default on instalments after the first, Mr Johnson was to transfer shares amounting to not less than 44.9 per cent of the issued share capital, subject to payment to him of £40,000. Mr Jobson, as the Rubins' assignee, now claimed to enforce

vendor's lien.

Alternatively, by analogy to its power to direct an enquiry as to

Mr Johnson paid the first order. The order for specific perfor-£100,000 under the variation agreement in addition to the mance would then stand if the £40,000, but failed to make any present value of the shares, as certified under (i) did not exceed by more than £40,000 the aggregate of the unpaid instalments and interest under (ii) and the amount, if any, hy which the present amount charged ooder the charging order as certified

of a penalty.

Those two alternatives should

be offered to Mr Jobson, but they could not be forced on him. If neither was acceptable to him the appeal must be allowed and the order for specific performance must be discharged.

a concurring judgment. LORD JUSTICE KERR agreed that Mr Justice Harman's order

The first differed little from simply granting relief to Mr Johnson in the usual way, save that it would be accompanied by what would in effect be an auc-tion of the shares, in which both parties as well as outsiders could complete. The second was almost certainly unrealistic and not a worthwhile offer in practice, since it was to be suspected that the present value of the shares greatly exceeded all monetary sums to which Mr Johson was

That would be an order giving effect to clause 6(b), but on terms

Borrister

# Sunshades, stilts and Scottish landscapes

Christo, the conceptual environ-mental sculptor, is having his first London show for four years at Annely Juda Fine Art (11 Tottenham Mewa WI: until June 24). He is a conceptual artist, but only in the technical sense that he proposes the idea rather more often than he is able to realise It in concrete terms. He plans his interventions in the landscape or the city on a vast, almost hubris-tic scale, both material and financial, proposing to wrap entire edifices in canvas; enclose whole islands; swathe miles of cliff; run a fence cross a state.

But these are no idle fantasies: he means what he says, and it is extraordinary how often he has contrived to give his airy nothings a local habitation and a form. His fence did run across California, and two years ago his wrapping up of "le Pont Neuf" brought Paris to a bemnsed and on the whole admiring standstill. Now he is at it again, working towards 1990 when he intends simultaneously to plant a valley in Japan with thousands of huge bina umbrellas, tall as fruit trees, and a valley in California with as

The state of the s

npss:

Other day

the of the Maria

ar till seglig

\* in the page

1. 10 M 2

or from their

The state of the s

and the maker

could take a

to the course

ें वे अनुस्तर्भ हता

- F (2)

77.77.03%

Analogy &

e and the b

C TO CES

e e i desta e e i destas

9 - 11<u>57 . 131</u>2

10 972

e in elega tarata 110

1111

The second of the

principality

21 April 2

The Park Held 1,52

20,000

1 - Ac e 1/25

 $\frac{1}{2^{n}} \frac{1}{n^{n}} = \frac{1}{n^{n}} \frac{$ 

4: 72

Layer

District a Compa

many yellow ones. He has always used the opportunity of gallery exhibitions to publish the scheme of the moment. We are invited into the gallery not so much to consider his works of art, qua art, there and then, but to participate imaginatively in their possible existence elsewhere at other times. text - they work for once as Though the working material we landscape painting always has, are shown may also stand as art founded in the true experience of in its own right, as with all working drawings, that status is secondary and machines.

ing drawings, that status is sec-ondary and unself-conscious.

So it is with this present exer-cise. Here are the large working drawings for the umbrella proj-ect, worked freely and holdly upon a photographic base, with the details scrawled across them and the mans alongside. There into the distance, in clusters, in the prettiest of subject-matter - line, or quite at random, just like pretty girls, sometimes in pretty trees, And yet at the moment the hats. The distinction to draw



The Umbrellas, Christo's latest project for Japan and the US

project is less interesting than the drawings. Leaving aside all else that is going on, and the way they are made - the use of photography and collage, maps and

David Remfry, now showing at the Mercury Gallery (Cork Street WI: until June 25) is a painter who for too long has remained beyond the critical pale by virtue of those two cardinal faults to the and the maps alongside. There they all go, superimposed in yellow or hine down the valley and summate technique and always

unfair to lay at the artist's own door.

where he finds it. There is no hierarchy of serious purpose, or where would we find a place for the likes of Fragonard or Renoir? More to the point is the way it is done, and where Remiry has made his own contribution to his problems in the past has been in too self-conscious and narrowing a demonstration of his undoubted graphic facility.

It is always the use by which a it interesting and ultimately crestrength in the statement of the authority derives, which is the stive, combined with a quality of imagery, an acceptance of what-authority of any true artist.

here is between what is fair and intuitive absorption and forgetfulness; the artist must lose him-self in his work. In coming by chance upon a quite extraordi The artist, any artist, is chance upon a quite extraordi-entirely free to take his subject extraordists and possibility this is stimulus and possibility, this is just what Remfry at last has done. He was so excited by a tronpe of stilt-walkers, three young women, that he hired them for a day and took them into Kensington Gardens to make studies of them. It is this experi-ence that has supplied the main

substance of his show. He uses all the conventional media of the painter, but watercolour is his great strength, and

achieved in the process, rather than contrived, that gives this work a considerable and altogether new authority. These girls, sinister in their long black skirts, with their chalk-pale faces and extravagant bows, teeter like deranged commedia del arte puppets or mannequins up and down the steps and into the darkening gardens - wonderfully odd and memorable.

Peter Coker at Gallery 10 (Grosvenor Street W1; until June 30) is developing into one of the most distinguished landscape painters of his generation. He was always remarkable and enjoyed an early success, for he was a notable graduate of the Royal College in the 1950s and on the fringe of the Beaux Arts New Realists, though never quite in the Kitchen Sink itself. In the big survey show of the Painting School at the Royal College earlier this year his work of that time more than held its own with his peers. Auerbach, Greaves, Smith and Brathy. Somewhat out of critical sight in the 1960s and 70s, as fashionable attention drifted elsewhere, his worked continued as strong as ever and now it seems his star is rising once more.

This small show is of Scottish

landscapes, images of low hills and moorland, grey skies, distant waters and a sense of an infinite space. The surface is rich and clean, the paint laid on with an unforced, uncluttered expressionist directness, swift and decep-tively simple in touch and effect. The inflexion of a single stroke of the brush takes the eye up and over the hill; a quick scumble of cloud leads it on to the whiter distance. It is all so very clever and sophisticated, or so it seems, done with every painter's trick; but I suspect that if you asked Coker how he did it, so lost was legitimate facility – as opposed these new large water-colours are be in the excitement of the image to a trick or sleight of hand – is tours de force hy any measure, seen he could not tell you. It is stretched and tested that makes There is a freedom to them, a from this simple mystery that his

The Electrification/Glyndebourne

**David Murray** 

sponsored by Vincent Meyer, The so early that his production – almost every word – but even in Electrification (after a Pasternak even with his latest departures the little Glyndebourne house we story) is the work of Nigel Osborne, Craig Raine and Peter Sellars - their respective contributions as composer, librettlst and producer are not so far separable. The production was preter on its surface, scarcely mièred by Glyndebourne Touring anchored by marks of place or Opera last year, then revised for BBC-TV, and is now re-revised for the Glyndebonrne house itself; it will travel to Berlin after the Festival.

Pastarnak's almost plotless tale, with his alter ego protagonist suspended between the com-ing Revolution and private tem-

pests, is wholly first-person-subjective. It was a mere "source" for Raine, who has even-handedly rendered the other characters into their own pun-gent verses: the young poet Sere-zha is now matched against other operatic flesh-and-blood. Osborne has assigned music to them all with self-effacing sympathy -often in nostalgic ballad-form, slightly distanced - and set them among orchestral evocations of turmoil, trains and shipwreck. The format, then, is intimate snapshots on the margins of

an epic panorama.

The piece is thoroughly interesting, manifestly heartfelt and yet wilfully elusive in effect. As colleagues on this page have remarked before, there's room for suspecting a fracture between authors' iotentions and producer's style, but Sellars was

opera itself. At any rate, the stagprojected titles, it's often a challenge to guess just where we're

The Electrification is quite literally a "poetic opera:" ideally and



Elizabeth Laurence as

Commissioned by the BBC and actively involved in the project very seriously, we should hear from the published text - can't can't. The sonority of Osborne's really be peeled off from the orchestration, often plangent and heautiful, swallows up many a ing is so husily fluid that the line (no fault of Elgar Howarth's intimate vignettes bob and skit-assured, faithful conducting). Strong playing goes a long way toward establishing the feel of milieu. Even with a plethora of each encounter, even when the sense has to be conjectured: Omar Ebrahim repeats his doughtily febrile Serezha, and Elizabeth Laurence is a deeply affecting Anna, the young widow who fights shy of him. As the 42-year-old prostitute Sashka, a natural victim, Helen Williams (replacing Anna Steiger at short notice) looked improbably fresh

and lovely, and sang with

unforced conviction. Hyacinth Nicholls sketches an intriguing character for Serezha's sister. Penelope Walmsley-Clark does as much for his flighty employer. Her hushand and Sashka's nre both played by the efficient Philip O'Reilly, and Pas-ternak himself – writing the story as it proceeds – is eagerly represented by Henry Herford. Wout Oosterkamp figures vividly in three roles. George Tsypin's tricky set flaps up and down, and its striated wall snakes into one new form after another to Indi-cate new settings, but it retains its own obtrusive presence. Since the human vignettes are the essence of the piece, one keeps wishing it would kindly leave the

#### Atlanta Symphony/Festival Hall

**David Murray** 

200-strong volunteer Chorus are coda he kept the revolving pla-over here in force, and on Satur-no-and-timps bass line down to Throu day they displayed their Stravin-sky and Beethoven under the steady hand of Robert Shaw. After twenty-one years as their music director, Shaw - famous above all for his eponymous Chorale - is about to retire; this first Atlanta European tour is by way of a grand farewell.

Both of the chosen works got straight, solid readings. Stravin-sky's Symphony of Psalms was shaped firmly and with evident sympathy. Good lower strings (the Symphony does not use violins or violas), wind ensemble excellent, though the first-desk woodwinds were short of character in their fugue; pianos a little backward - perhaps by the con-

wonderfully interesting and var-

ied programme preceded Bee-thoven with Janacek, Martinu,

and Bloch) and, more significant,

his failure to sound like a "human gramophone record,"

with machine-tooled gloss of

manner and pre-packaged Juil-liard-style vihrato, are part of

what makes his playing so deeply

satisfying to encounter. But these

things evidently tell against him

with the larger London public - a crazily wasteful situation.

be there. Friday's concert was a

rare and rewarding occasion. The

the merest planissimo. There, the extremely slow pulse stretched his singers' tone thin (and the was nonetheless moving, and otherwise the choral work was satisfyingly clean-edged and well-

The Chorus attacked the finale of Beethoven's Ninth Symphony in full cry – a big exhilarating long-breathed phrasing; sound, and sharply articulate too.

Among the solo voices Benjamin instinct for enriching their Luxon and Robert Tear were lusty and florid, Benita Valente and Janice Taylor less forward but stylish. The cellos and basses deserved to count as another vocal section, on the strength of

The Atlanta Symphony and their ductor's choice, for in the great their stirring and unanimous rec-

Throughout the symphony Shaw's sage nod to each salient juncture was not always rewarded by a full-hearted "chordis et organo" section was orchestral response. The opening curiously mild), but the effect Allegro was plain but properly stern; the swift scherzo got itself fully together only for the repeat, though the borns rose splendidly to their spotlight both times round. With the Adagio one began to miss anything like string voices showed little vidual parts, and the woodwind ensemble was raw. The efficient Atlanta players have not the patina of a seasoned Beethoven band yet. Still, the finale made

# A great carry on about the Phantom and the Plow The Broadway season, with only Burn This, L. Scott Caldwell as and slick staging. They seemed to for a high-school group as the eight new plays and a dozen new musicals in twelve months, is more about what it was not, than Gone, and Ron Silver for best Carrie, promptly closed after only There was a rumour that the

the Tony awards given out on Plow. Sunday evening were most nota-ble for not being devoted to Andrew Lloyd Webber's Phontom of the Opera and David Mamet's the award as best musical, but a small group had decided on a the best book and score went course of self-preservation, respectively to James Lapine and spreading the largesse among Stephen Sondheim for their fractured fairy tale, Into the Woods.

best costumes and scenic design for Maria Bjornson, best lighting for Andrew Bridge, best direction for Hal Prince (his 16th) and best acting in their categories for Michael Crawford and Judy Kaye. Anything Goes, the suc-cessful Lincoln Centre revival of the 1930s Cole Porter musical, won three - best revival, chore-ography (Michael Smuin), and featured actor (Bill McCutcheon). Besides Sondheim winning his fifth Tony, *Into the Woods* got a third Tony for Joanna Gleason as away from competition with can musical." Phantom of the Opera opened too late for eligibility this season. best actress in a musical.

Among the plays, David Henry Hwang's M. Butterfly, produced the most awards, three, including best play, best directing (for John Dexter) and best featured actor for B.D. Wong, who plays the young Chinese man a French diplomat assumes is a woman during their twenty-year liaison. Three other plays won one each: Joan Allen as best actress for her Chess, both of them afflicted with performance in Lanford Wilson's over reliance on pyrotechnics

what it was. In the same vein, actor in David Mamet's Speed the

Though the awards are voted Andrew Lloyd Webber's Phantom for by hundreds of reviewers, of the Opera and David Mamet's producers and other first-nigh-Speed the Plan. Phantom did win ters, they look almost as though

Phantom ultimately walked off Chess, a late season opener, won

Carrie was supposed to be scary

intended. After luxuriating for a few years in complaints about the growing dependence on Lon-don for its new musicals, New

York now has to worry about a future without even that

Corrie opened a fortnight after

five performances and 16 prefive performances and 16 preproduction was shakily capitalbloodbeth. Terry Hands threw in
the towel. He managed to scare
the pants off Americans, not with
his RSC production of Currie, but
with his valedictory farewell. His
words make one one woulder.

There was a fumour that the
production was shakily capitalised, with little back-up money.
but the machinery hauled in to
make a drive-in movie for one
scene would have paid for a numwith his valedictory farewell. His
flats.

doing any other musical – but row that three other musicals they wouldn't need to." As a final won ten nominations each. Notamea culps, he added, "I don't bly absent from the nominations would at least have had better

The Tony awards were spread with largesse on

Sunday night, as if to disguise the failure of this year's Broadway season as a whole no awards, while Carrie, shying know anything about the Ameri- was Philip Casnoff whose characters as disparate as Bangkok in 1988 away from competition with can musical." Carrie's climax is supposed to chesa grandmaster, had no be a fiery inferno of rage and redeeming features. Singing "Pity revenge. In the production at the the Child" late in the second act

Corrie was supposed to be scary virginia, it was a tepld light to excuse his behaviour made and it was, but not in the way and it was, but not in the way intended. After inxuriating for a few years in complaints about needed effect. The walls of the growing dependence on London for its new musicals, New removed the sense of home-town nomination for best leading America gone amok that lies at actor, makes a lovable Anatoly, the heart of the story. Rather the Russian grandmaster defector

than highlight the meanness underlying every familiar ritual in Stephen King's original, Ralph Koltai's set looked antiseptic and the cast as suitably wholesome on Broadway after A Chess has been playing three have approved.

ing's March play about a cuddly Soviet arms negotiator at Geneva. A Russian more attractive than an American is an idea that shocks Americans only once. Besides, Blessing does it much better, not fashioning the Ameri can as hateful, just naive and stiff. In Chess Judy Kuhn as the with his valedictory farewell. His flats.

When Broadway will next see a Imperial, having garnered two coaster, giving the production its London transfer. It think my collegues might dissuade me from even though the field was so narifalls for the Russian.

The rest could be mistaken for away with the videos and giant chessboard of the West End production. In taking over from director Michael Bennett's original conception, Trevor Nunn has opted for realism, interpreted by designer Robin Wagner as giant concrete blocks, as though the play were set under a flyover. It seems particularly inappropriate for a book that demands scenes opening gambit in which Florence as a five-year old plays chess with her father.

Richard Nelson, well known on both sides of the Atlantic as a fascinating dramatic chronicler of East/West relations, was hired to spruce up Rice's original book. But the plot remains a jumble of mixed-up emotions, glib politics and weak narrative that reduces Florence to a cipher in a Cold War conclusion the CIA might

Frank Lipsius violinist has a new recital part-ner in Susan Tomes, the young

#### Josef Suk/Wigmore Hall

#### **Max Loppert**

Suk is one of the finest violinists Scots pianist, and the meeting of nasaid. Bloch's Second Sonata, in the world. To devotees the minds and sympathies proved affirmation is unnecessary, but at remarkably lively and fresh. One Friday's recital one became conscious of a certain "image problem" that keeps the violin-follow-late Janacek Sonata with all the lem" that keeps the violin-follow- late Janacek Sonata with all the ing hordes from flocking to his dramatic and lyrical intensity, recitals. It is not the player's and the concern for verbally problem, of course: his refusal to offer predictable fare (Friday's composer put into the contemponova. But Miss Tomes' equal idi-omatic authority could hardly be

This was a thrilling start to the evening, and it set a standard

subtitled "Poeme mystique," is a long outpouring of violinistic fervour for which the planist must provide nnerringly judged snpport. Suk's lean purity of tone and his moderation of vibrancy according to musical circumstances prevented the mood of lyrical rapture from ever palling

In the "Kreutzer" Sonata Suk's way of appearing to let the music predicted, nor a trenchantly vig- speak for itself while always orous assertion of the piano part directing its energiea forward that managed never to swamp was a revelation, at once strong and wholly unsuperficial. There were no histrionics, no show-off displays of bow-arm skills, yet it maintained throughout. Martin-u's Five Madrigal Stanzas light, deft, deceptively simple studies, marvelled at Suk'a technical were delivered with an economy authority - a quality inextrica-that left exactly the right amount ble from his musicianship.

#### Saleroom/Susan Moore Enthusiasm for ceramics

So great is the current demand a geranium pot — soared above for the very best that when its modest estimate of £60-80,000, works of art of the highest quality — or rarity — come on to the market all estimates may as well with iron-red and gift, was still he feet the street of the be forgotten. The same premium more spectacularly favoured, sell-applies to pieces never before ing at £132,000 against an estiseen in the saleroom. Yesterday, Christie's not only offered the most impressive group of early Chinese ceramics and works of art seen on the market for many years, but could boast that all of the star lots were making their auction dehnt. The market responded enthusiastically,

per cent remained unsold. The Hong Kong trade took the four top lots. A magnificent, 39cm high Yuan blue and white ing had been refused last Decemigar, c1340-50, painted with bold ber after it had been purchased bands of large leafy peonies, scrolling lotuses and buddhist price of £495,000 (estimate in tle

excess of £400,000). More successful was a large Hongwu bowl, painted in underglaze copper-red to leave the design of chrysanthemum branches and other buds that the National Museum of
white. It is believed to be the Wales would not be able to raise only early Ming underglaze painted bowl with an exclusively reserve-decorated design. Esti- Fund had made its largest ever mated at £300,000, it changed hands at £429,000.

Another rare early Ming piece, yellow ground saucer dish by selling for \$220,000. A deep early Ming blue and white bowl - used by its previous owners as

#### Poussin saved for the nation

Yesterday, the National Gallery spending some £3,014,990, and announced the acquisition of paying well over estimate for Poussln's "The Finding of items across the board. Only 5 Moses," saved for the nation by an unprecedented joint-owner-

by the Getty Museum, via dealers Artemis, from the descendants of emblems, realised the highest the 1st Lord Clive of Powis Cas-

Both the National Gallery and the National Museum of Wales declared an interest in securing the £7.25 million, even after the National Heritage Memorial grant of £2 million, the galleries decided to work in tandem to raise the purchase price.

Reflecting the proportion of the painted with bold sprays of contribution by the two institucobalt blue flowering pomegrantions, the painting will spend 4.4 ates, almost doubled its estimate years of a 7-year cycle in London, and 2.6 years in Cardiff

# **Arts Guide**

#### Opera and ballet LONDON

Royal Opera (Covent Garden). Elijah Moshinsky's stark production of Macbeth returns with the original bartsone, Renato Brusca, in the title role, Elizabeth Commell as Lady Macbeth, and Edward Downes as conductor. For what may be her farewell appearances in London. Joan Sutherland leads a new production of Donizetti's Anna Bolena by John Pascoe. Richard Benyings conducts, and the cast also includes Susanne Mentzer, Dimitri Ravrakos, and John Aler. Jon Vickers, who was ill for the opening performances of the Peter Grimes revival, hopes to return to the opening performances of the Peter Grimes of a first-rate cast are Josephine Barstow (Ellen Orford) and Victor Braun (Balstrode). John Barker is an authoritative conductor of the Elijah Moshinsky production. (240 1066).

tive conductor of the Elijah Moshinsky production. (240 1066). English National Opera (Collecom). In place of the cancelled Ken Russell Tannhäuser, Fidelio is revived with members of the original Wagner cast - Kathryn Harries, Graeme Matheson-Bruce, Nall Howlett and conductor Kees Bakels. Also in reperiory. Nicholas Hytters's delightful new production of the Magic Fittle, with Thomas Randla, Susen Bullock, Nicholas Fotwell and John Connell, and the sparkling 1985 Hyther production of Handel's Kerkes, revived with the superb oxiginal cast, led by Am Murray and Valerie Masterson.

Rambert Dance Couspany (Sadier's

**PARIS** 

Thais (Opéra Comique). Nicholas Joel

produces, Lawrence Foster conducts
Massenet, combing religious feelings with sensuality. (47.42.57.50),
Palais des Sports. Patrick Dupond and
the Ballet from Nancy dance Béjart.

(48.23.03).

Théâtre de la Ville, Jorma Uotinen and her dancers bring their performance of modern ballet from Finland to Paris for the first time.

**NEW YORK** 

American Ballet Theater (Lincoln Center Opera House). Spring high-lights include the world première of Mark Morris's Brink to Me Only With Thins Eyes, set to Virgil Thompsoo's score and Santo Louesto's set, along with the new productions of Gaite Partstenne, choreographed by Leonide Massine, and Raymonda, choreographed by Mikhail Baryshnikov after Peptia. (362 6000). Ends June 11.

New York City Ballet (New York State Theater). To celebrate its 40th anniversary, the company has commissioned 20 works, including five

missioned a works, that punctuate the Balanchina, Robbins, Martins repertory with pieces by Lar Luvovich and Paul Taylor, among others.

#### WASHINGTON Royal Danish Ballet (Kennedy Center Opera House). In its week-long visit, the company performs August Bour-nonville's classic Abdailah and Napoli. (254 3770).

West Germany

Wells). The season opens on Tuesday with a gala performance, followed by a quadruple bill on Wednesday. (278 8916).

West Germany

West Germany

Berlin. Deutsche Oper. Fidelio is a Jean Pierre-Ponelle prodoction. Tosca has fine interpretations by Plar Lorengar and Inguar Wixell. **WEST GERMANY** Jean Pierre-Ponelle prodoction.
Tosca has fine interpretations by
Pilar Lorengar and Ingvar Wieell.
Gotterfammerung brings Janis Martin, Ute Walther and Spas Wenkoft
together. Don Glovanni features

Pilar Lorengar, Carol Malons and Jose Van Dam. Die Lustigen Weiber von Windsor and Coppelia rounds off the week. (34281).

Hamburg. Staatsoper. Carmen, sung in French, with Ruzz Baldani brilizant in the title role. Don Carios stars flunja Vejzovic. Kurt Moll. Leo Nucci and Kurt Rudi. Der Filegeade Holländer has a strong cast led by Carmen Reppel, Ursula Boese, Bernd Weikl and Manfred Schenk. Don Pasquale is a well produced repertoire performance with Hellen Kwon, Paolo Montarsolo, Urban Malmberg and Kurt Strett. (381151). Cologue. Opera. Don Pasquale has Reinhard Dorn in the title rule. Britten's Ein Sommernachtstraum is respectable with Paul Esswood, Teresa Ringholz and Harald Stamm. (20781).

ess Ringholz and Harald Stamm. (20151).

Boan. Opera. Kurt Rydl repeats his much-praised performance in the title role in Don Pasquale. Tocca is well done in Gian Carlo del Monaco's production with Natalia Troitskaya, Guiliano Cianella and Juan Pons as leads. Norma is revived with Mara Zampleri, who is outstanding in the title role beside Delores Zeigler, Lando Bartolini and John Macurdy.

Delores Zeigier, Lando Bartolini and John Macurdy.
Munich. Bayerische Staatsoper.
Feuersnot stars Sabine Hass, Helena Jungirth. Hans Hopf and Walter Eaffeiner. Le Nozze di Figaro has a cast led by Birgit Calm, Angela Maria Blast, Wolfgang Brendel and Alberto Rinaldi. Die Sache Makropulos has Hildegard Behrens outstanding in the title role. Also in repertory: Un Ballo in Maschera and Onegia. choreographed by John Cranko. (21851).

#### ITALY

Rome. Teatro Dell'Opera. Pier Luigi Pizzi's production of Rossini's Moss. Conducted by Paolo Olmi, this is the versioo seen at the Persaro Rossini

Festival in 1983, and includes some

Festival in 1983, and includes some of the same cast: Cecilia Gasdia, Rochwell Blake and Simon E Alaimo, with Ruggero Raimondi and Jeany Drivala. (65.1758).

Turin. Teatro Regio. Co-production with La Scala, Milan, of Flavio Testi's Ricardo 111 (first performed in Milan in January, 1987). Produced by Virginio Puecher, designed by Pasquale Grossi and conducted by Roberto Abbado, with Tenor William Lewis in the title role. (548.000). Bologna. Teatro Comunale. La Grande-Duchesse de Gerlostein by Offenbach, produced by Gutlio Chazlettes and designed by Ulisse Santicchi. The cast includes Elena Zilio. Jean Brun, Jean Luc Maurette and Pierrette Delange, conducted by Alain Guingal. (828989).

Florence. Siet Maggio Musicale Florentino. Teatro Della Pergola. Three works by Ivan Marko to music by Ravel, designed by the Maggio Musical Ballet Company. (2778238).

NETHERLANDS

NETHERLANDS

NETHERLANDS

Amsterdam, Muziektheater. The
Netherlands Opera with the Dutch
première of Nixon in China by John
Adams, with libretto by Alice Goodman. Directed by Peter Sellars and
designed by Adrianne Lobel. Edo de
Waart conducting the Holland Festival Orchestra, with James Meddalena as Richard Nixon, Carolann
Page as Pat, Sanford Sylvan as
Chou En-laj and John Duykers as
Mao Te-tung. (Tue, Thur). (255 455).
Amsterdam. Tropeninstitunt. Musie
and dance from Papua New Guinea.
(Tue Wed). (Mauritskade 63, tel 588
SSOO).

S500).

The Hague, Danstheater, The Nederlands Dans Theater with the world première of Jiri Kylian's Kaguyahime, a Japanese fairy tale set to music by Maki Ishii and performed by the Dutch Circle Ensemble and members of Innea's Koth Preschild members of Japan's Kodo Ensemble. (Mon to Thur). (60 49 30).

#### June 3-9

#### Enjoy reading your complimentary copy of the Financial es when you're staying . . . . . . . in Stockholm at the Hotel Diplomat, Grand Hotel, Lady Hamilton Hotel, Hotel Reisen, Hotel Sergel Plaza, Star Hotel, Strand Hotel . . . in Gothenburg at the Hotel Gothia. Park Avenue. . . in Malmo at the Garden Hotel FINANCIAL TIMES Travelling If you need to

Travelling on Business?

more... BUSINESS . & MARKET RESEARCH PLC BUXTON ROAD, HIGH LANE, STOCKPORT, CHESHIRE SK6 8DX Telephone (0663) 65115

know



.... Berty - Lugano with

FINANCIAL TIMES

#### **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Tuesday June 7 1988

# The French conundrum

voters of any stripe are liable to decide their vote will make no difference, and stay away from the polling booths. Both phenomena seem to bave occurred in France on Sunday.

Mr Michel Rocard'a Government had more excuse for complacency than most, being newly appointed by a President whom the electorate had decisively confirmed in office barely a month ago. Even without the encourage-ment of opinion polls Mr Rocard could reasonably expect the elec-torate to confirm its own choice and return a parliamentary majority committed to working with President Mitterrand on his own terms, as it did in 1981.

In theory that would not be the same thing as a Socialist land-slide but in practice the single-member constituency aystem would almost inevitably turn it into one. Perhaps because most of them can still remember the Socialist landslide of 1981 and its consequences, the voters this time behaved differently.

#### Absent voters

show. Of the votes that were cast, the supporters of Mr Mitterrand on the one hand, and of his main-stream conservative opponents Mr Jacques Chirac and Mr Ray-mond Barre on the other, both got a slightly higher percentage than their respective candidates in the first ballot of the presiden-tial election. It is only in compartial election. It is only in comparison with opinion polls that the result seems a serious setback for

these figures reflect an actual bined with a broad base of sup-switching of support and how far port in the country.

IT IS always dangerous in a democracy to take an election result for granted. When governments do it, their complacency can provoke floating voters to turn against them. Whan the opinion polls and the media do it, writers of any string are liable to Sunday may well depend on the answer to that question, since many of last Sunday's abstainers will probably turn out now that the many of the sunday of the the race has got so much closer and more interesting. At a guess, this might benefit the Socialists, since it seems likely that quite a few of the abstainers were people who had told the opinion poli-sters they would vote Socialist but then did not bother because the result seemed a foregone con-

#### Frame of mind

It still seems unlikely, though no longer unimaginable, that the outgoing conservative majority might scrape back in. Even if it did, it would do so in very differ-ent circumstances and a different frame of mind from its previous triumph of March 1986. Then it was united in its determination was united in its determination to reverse the policies of an unpopular Socialist government and divided mainly on the choice of tactics for dealing with a lameduck Socialist President. Now it would face a re-elected President of undoubted moral authority wbo, rather than hand over the reins of government gracefully as he did two years ago, would surely take an active role in con-An unprecedented number of structing the new government them - 34.3 per cent - failed to and defining its policies, and would seek in the process in construct a new centre-left majority cutting across the present party He will also seek to do that in

the more likely event of a narrow Socialist victory next Sunday, possibly using the argument that the centrists must join the majority if they do not wish to force the Socialists back inin alliance with the Communists. He the former and a surprising deserves to succeed, inasmuch as recovery for the latter. the former and a surprising recovery for the latter.

By contrast the extreme rightwing National Front has fallen back spectacularly from the 14.6 per cent gained in April hy its leader, Mr Jean-Marie Le Pen, to a mere 9.7 per cent, while the Communists have recovered no less spectacularly from 6.9 to 11.3 per cent.

It is difficult, at any rate until a lot of psepbological spadework has been done, to know how far these figures reflect an actual

# tax reform THE THATCHER Government's distribution of the tax burden third term is barely a year old. also reflects other factors, such

Fading zeal for

Yet enthusiasm for tax reform already appears to be waning. Sbortly after the Bndget in March, Mr Nigel Lawson said his programme of reform was essentially complete. The same complacency is evident in a pamphlet on tax reform, published yesterday by the Conservative Political Centre. The Chancellor claims credit for a series of path-break ing reforms, but devotes no space to the challenges that lie ahead. Mr Lawson's lack of zest is Mr Lawson's lack of zest is understandable – he has delivered five Budgets – but also regrettable: a keen reformer at Great George Street could achieve a great deal before the constraints of the next election

begin to bite.

The Chancellor does not make the mistake of equating tax reform with reductions in tax rates, although he evidently takes considerable pride in the latter. Indeed, the pamphlet shows traces of the supply-side fervour that once engulfed Washington. Income tax cuts, it asserts, have succeeded in shifting the burden of income tax from the great mass of the population to the better off. This financial year, the top 5 per cent of taxpayers are expected to shoulder a slightly larger propor-tion of the total income tax burden than in the last year of the Labour Government.

#### Spreading load

This egalitarian spreading of the load might seem calculated to the foat might seem calculated to irritate the libertarian wing of the Tory Party. Fortunately for them, it is not quite what it seems. What Mr Lawson fails to mention is that the distribution of income has become markedly more unequal during the past years. The modest increase nine years. The modest increase in the proportion of income tax funded by the rich is scarcely

Supply siders will say that tax cuts have encouraged the better cuts have encouraged the better fensible. The broadening of valorito work harder and declare ue-added tax should be a third more income. That may be partially true, but the change in the be done.

as the negative impact of higher unemployment on the incomes of

#### Fiscal neutrality

Mr Lawson does not doubt the merits of tax cuts, but he is sur prisingly ambivalent about "fis-cal neutrality". He pokes fun at the "purist" tax reformer and rid-icules the "level playing field fanatic." The role of the Chancellor, he maintains, is not to "drive his steamroller up and down the pitch, until he has levelled every bummock and filled in every bummock and filled in every hole." He should instead be the kindly dispenser of "carefully considered" tax incentives. Mr Lawson and Sir Geoffrey Howe, Mrs Thatcher's first Chancellor, have supplied pleuty of these ohvious examples include the tax concessions for small businesses, personal equity plans and nesses, personal equity plans and profit sharing.

This pragmatic approach to tax concessions is calculated to appeal to reasonable men. But it is dangerous: every tax relief now considered unhelpful was once advocated in good faith by interventionist economists. The additional tax concessions for twotional tax concessions for two-earner couples were explicitly designed to get women out of the home and into the labour force. The encouragement of collective investment by pension funds was a deliberate public sector policy. The buge incentives for home ownership were similarly a delib-erate attempt to modify behaviour in pursuit of socio-economic enals.

Mr Lawson's successor will need to worry less about getting tax rates down - the Chancellor thinks most people will consider a top rate of 40 per cent reasonable - and more about levelling the tax base. The present concessions for bounty responses and able – and more about levelling of those about 60 set off and 25 to the tax base. The present concessions for housing, pensions and marriage have no economic justification and should be phased, out. The creation of a fair and efficient social security tax is an equally pressing priority: a wide spectrum of opinion accepts thet found washed up in Holland a trace of those about 60 set off and 25 to 30 make it. The main expense is the £600 for a pilot boat. One man, Ted May, tried without a boat, taking his meals on a small rath, and the present concessions for housing, pensions and the found marriage have no economic justification and should be phased, out. The was fished out by a passing boat but want back for an other go and his body was found washed up in Holland a trace of the found marriage. surprising given that they have claimed a bigger ahare of the national cake in recent years.

The share of their own incoma thet is taken in tax has fallen substantially, much faster than that of the lower paid.

The creation of a fair and efficient social security tax is an equally pressing priority: a wide spectrum of opinion accepts that that of the lower paid. insurance contributions is inde-fensible. The broadening of val-

Chris Sherwell looks at the record of Alan Bond, aggressive Australian entrepreneur

# Testing time for the tall poppy

neur Alan Bond. "He is one of those almost unique fellows," the

Just how much Alan Bond is in debt to his creditors, uo oue except perhaps Mr Bond himself knows. But it is a question many people are asking following the mercurial 50-year-old financier's letter business forms yearanday. latest business foray yesterday -a A\$850m (£368.7m) bid for Mr Robert Holmes à Court's Bell

once he secures the company a target for his Australian brewand its cash-rich offshoot Bell ing rival, Mr Joho Elliott's Elders Resources, Mr Bond will be like ing rival, Mr Joho Elliott's Elders IXL. Currently Mr Bond has almost 7 per ceut of the UK extraordinary corporate culture. Beer, public houses, television, radio, newspapers, property Beer, public houses, television, radio, newspapers, property development, gold mining, oil, trucking, earth-moving, textiles, financial investments – the Britisb-born former signwriter will be involved in all of them. And that is before you include his legendary America'a Cup yacht-racing exploits

ing exploits.

Merrill Lynch, the US investmeut bank, recently did an analysis of Bond Corporation Holdings, the principal public company in

Brewing is the empire's great cash generator, against which it raises the bulk of its borrowings

the Boud empire. It put the group's liabilities at a heavy A\$4.7bn-A\$5.2bn and shareholders funds at A\$1.8bn. But the latter figure included A\$700m of

convertible bonds.

What is more, the analysis said nothing of the debt of Dallhold Investments, the family company through which Mr Bond controls 51 per cent of Bond Corporation.
Dallhold is a private company
and comprehensive figures are
not available.

According to some analysts, Mr

Heileman Brewing Company in (£131m) for the huge Bond Centre the US last September for in Hong Kong, then quickly sold US\$1.3hm (£724m) added to its half of it to EIE of Japan for a (much smaller) operation in Pitts- HK\$ 128m profit. hurgh and its well-known Swan and Castlemaine Tooheys husinesses in Australia. Bond is now which it bought from Hongkong the world's fourth largest brewer. The husiness is important because it is the Bond empire's great cash generator, against which it raises the bulk of its borrowings, mostly on a non-re-course basis. The group is rarely

AN AUSTRALIAN merchant out of the capital markets with banker was once asked what be its sophisticated and complex thought of the Perth entrepre-fund raising efforts. Beer is also the key to understanding wby last October's worldwide stock market crash those almost unique fellows, the banker was reported to bave replied, "who measure wealth in the amount they can borrow group's finaucial standing. According to Merrill Lynch, the have."

According to Merrill Lynch, the group's atrong, reliable cash flows from brewing will amount they have how much Alan Bond is in the flows from brewing will amount the flows from brewing before to 50 per cent of earnings before interest and tax next year.

According to conventional wis-

dom, brewing is recession-proof. Some analysts believe Mr Bond will emerge from the Bell take-over with his eyes on Allied Lyons, the British group which,

tions businesses, Mr Boud has been just as aggressive. He bought the Anstralian Channel Nine network from Mr Kerry Packer in May 1987 for an aston-ishing A\$1.1bn, but his subsequent float of Bond Media was a disappointment, with a 27 per ceut ahortfall. Since then the share price has failed to reach its original offer price of A\$1.55.

Nevertheless Mr Bond has 59 per cent coverage of the Austra-lian population, just below the permitted ceiling. He has stations in four state capitals and a stake in two others in north Queen-sland. Acquisition of Bell Group will give him the cash-generating West Australian newspaper West Australian newspaper group; the prohibition on media cross-ownership will force him to sell it or his Perth television sta-

On top of this Mr Bond has a network of Australian radio stations, the direct broadcasting Sky Channel service to Australian pubs, a 30 per cent stake in Hong Kong television, 25 per cent of TV-am in Britain and 25 per cent of the British Satellite Broadcast consortium, which has a 15-year franchise to provide four new television services in the UK.

Most controversially of his recent activities, his Hong Kong company Bond Corporation Inter-national has paid US\$122m for 30 per cent of the Chilean telephone company and will pay a further US\$155m through a rights issue to move to 45 per cent. The acquisition has been criticised by human rights activists in Chile and Australia, but it is directly related to his ambition to create a global communications opera-

**Bond Corporation International** has also proved an important vehicle for Mr Bond to expand his considerable property interests. In 1987 it paid HK\$ 1.9bn

luxury residential properties—which it bought from Hongkong Land when starting up in the British colony in 1986. It said it cleared an overall profit of HK\$ 390m. Mr Bond also bought a 300-bectare (741-acre) site ontside bectare (741-acre) site ontside Rome recently, for redevelop-

Jean-Marie Saletti, who is said to

Warburg's new face ■ Warburg Securities has been stepping out a bit lately. The firm

tazz," said a spokesman: "They're restrained and refined."

So restrained indeed that many people have not noticed them. But they are there and the plan

the full range of products will be

covered. Warburg Securities introduced

another first this week: a new quarterly called International Asset Allocation which, inciden-tally, is bullish about both the US

the new publication are seen as complementary. The Warburg man added that it would not be

their language to say that they are raising their profile.

City smells

district. Only yesterday his son and heir apparent, John (32), announced the details of a 79-sto-

**OBSERVER** 

tallest - just as the new 48-sto-rey R&I Bank building in Perth is that city's highest.

**Ashley Ashwood** 

planned 95-storey Skytower largest in the world.
which the authorities would not One new question

Mr Bond has a number of other interests - a 75 per cent-owned joint venture to sell South Karean Hyundai cars in Australia, for example, 48 per cent of Airship Industries, which has a USS 170m contract with Westinghouse to produce airships for the US Navy, and a stake in the Perth merchant bank, Rothwells, which he belped to rescue after last October's share market crash. He is remembered by compa-nies which have crossed his path

- like Thorn EMI, which sold him its Screen Entertainment division and like Cannon Films, which bought the division from him. The transaction gave Mr Bond a bcaltby profit, but it almost broke Cannor

He is close to Labor Party leaders both in his state of Western Australia and nationally – Mr Bob Hawke, the Prime Minister, calls him a "mate." in Queen-sland be is turning unused land on the Gold Coast into Australia'a first private university, called, predictably enough, Bond

But it is in resources that some of his most interesting develop-ments are now expected. Bond Corporation has oil exploration and production interests in Australia, the US, Papua New Guinea and China, and also some coal interests, but the real excitement focuses on Mr Bond's gold assets.

Over recent years Mr Bond has built up a complicated pyramid of controlling interests in unner-ous Australian gold companies — Mid-East Minerals, Metals Exporation, North Kalgurlie Mines, Gold Mines of Kalgoorlie, Kalgoorlie Mining Associates and Kalgoorlie Lake View.

These are controlled through Dallbold Investments. Last August Mr Bond went further, acquiring St Joe Gold Corpora-tion of the US from Fluor Corporation for US\$ 500m. Having taken it private, be is now in the process of refloating it, with some of his Australian interests, as Bond International Gold -

as Bond International Gold known, appropriately, hy its acronym, BIG.
Full details are awaited. But
the flotation is being handled hy
Goldman Sachs, and the new
group is likely to be listed in New
York I sudden and Tolkyn as well York, London and Tokyo as well as Australia. The October crash held up plans for the float, and further unexplained delays have since occurred. Last month's decision by the Canberra Government to tax gold mining companies from 1991, however, is thought not to have altered circonstances dramatically.

Long a "gold bug," Mr Bond expects his mines to be producing around 14m ounces of gold in 1989. In particular he is develwill match or exceed Australia's one doubts that its bid for the largest producer, Western Mining Corporation, and make his individual gold interests among the porate regulators.

which Mr Bond already has a 7 per cent stake. Bell Resources has olf and cost interests, 10 per cent of Broken

interests, 10 per cent of Broken Hill Proprietary (BHP), the oil, minerals and steel giant which is Australiu's largest company, and a stake in BHP Gold. One much-canvassed suggestion is that Mr Bond might back his gold interests into Bell Resources. Another is that he might divest still more Bell Resources assets, esnecially nell Resources assets, especially the emluently saleable BRP stake, and use its cash mountain to launch an assault on Allied

A sale of assets held by Bell Group is also possible: it has a trucking, earth-moving and tractors business as well as its lucrative newspaper operations.

Still another, more theoretical possibility, would be the creation of a London-based financial services group. After all, Bell has interests in Standard Chartered Bank, and in the insurance brokers Dewey Warren (which in turn has a small stake in the merchant bank Morgan Grenfell) Boud Corporation, meanwhile, owns 10 per cent of MAG, the unit trust group.

All this is a long way from 1950, when Alan Bond, then 13, travelled to Perth with his parents from Ealing, London,

Prime Minister Bob Hawke calls Bond a "mate" . . .the country's first private university will be Bond University

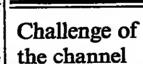
Apprenticed as a signwriter, he married at 17, started his own husiness at 19 and was a millionaire two years later. In 1974 be almost went bust and had to be rescued. That taught him the importance of a strong cash-flow business. But it did not stop him making his first challenge for the America'a Cup that year.

After a false start in oil, he moved into brewing and never looked back. Long before he won the America's Cup in 1983 to become a national hero, the common was back on an even back. pany was back on an even keel.

Five years of unrestrained expansion later, he has the chance to become the undisputed corporate colossus of Western Australia, and perhaps the country's most powerful entrepreneur. In short, what Australians call "a tall poppy."

Many are therefore anticipat-ing his fall. Some banks, hrokers Kalgoorlie, currently the main not go near him for the risk and focus of the third gold rush in uncertainty involved. And Australia's history. In size, he though the company denies it, no

One new question is whether the acquisition of Bell Group will Bond's finances may never be reshape things further, because Bell Group owns 43 per cent of the cash-rich Bell Resources, in the strain on Mr Bond's finances may never be greater than now. The next few weeks will be his most demanding test yet.



■ Three new Channel swimming records could be set this year if all goes to plan which very rarely happens in this masochistic chal-lenge mastered by an elite band of 220 men and 108 women.

Matthew Webh started it in 1875 when be took nearly 22 hours to swim the 21 miles to France. The time has been whit-tled down since in 7hr 40min by the Californian Penny Dean who

set the record in 1978.

That should go this year if the man who has most of the other records, 23-year-old New Zealan-der Phillip Rush, can repeat the form which last year took him to only the second three-way cross-

His time of 28hr 21min was a new three-way record after he had already beaten the two-way record and achieved the fastest time from France to England . Shr 15min. His England to France time was 15 minutes ontside Dean's.

Dean's.

Dean's.

Dean's.

This year could also see the first crossing by a septuagenarian when the 71-year-old American, Ashby Harper, attempts to regain the oldest swimmer record from Australian Clifford Batt who at 55 best the record Harry set as a 65-year-old.

Most swimmers do the front crawl, but Jacques Bayle has booked an August ettempt to be the first person to swim it backstroke.

About 70 to 80 people register attempts with the Channel Swimming Association every year and of those about 60 set off and 25 to

month or so later. Some have swum it more than



is to develop the campaign for tha whole Warburg group. At present they concentrate on research activities. Eventually

The carts at the Tower Hill Pageant, which should open in 1990, will take visitors through a series of historical dioramas depicting the history of London. Smells are included here too, according to project designer Tony Lawrence who saya that burning smells for the Great Fire of London and the whiff of fish tally, is bullish about both the use and the UK for the remainder of this year. The firm has decided that no-one else in the City offers quite this sort of market overquite this sort of

that," he said.

Culverin Consortium Ltd, headed by Andrew Hamilton, is carrying out the £8m conversion.

Work on the underground complex on three levels is to start in the autumn.

The Mazawattee Warehouse which once dominated Tower Hill and the Church of All Hallows was destroyed by bombing in the second world war. The surviving vaults are to become London's answer in the Jorvik Centre — Antiques lobby foods, he Antiques Fair in London this France: Four o'clock tea à cinq

to run into some pretty heavy lobbying. Unfairly perhaps, she has never been terribly popular in the arts world which tends to talk about Tory cuts rather than Tory opportunities.
Still, some of the antique dealers are honest enough to recognise that without Thatcher's economic policies, their businesses might not be quite so flourishing.

There is, after all, a lot of money The lobbying will be about 1992 and the proposed harmonisation of Vat. If it goes ahead, the trade says, the future of the whole London art market will be at risk as the big dealers and auctioneers awitch their operations to Geneva or New York.

It sounds familiar, but will she

fall for it in an unfamiliar world?

King of the Queens "If you can't sleep, try counting base rate changes."

Nowe Oyston, the Lancastrian businessman who stepped in briefly, but unsuccessfully, to rescue the left-wing and determined in which visitors are transported through Viking times in little carts.

The carts at the Tower Hill Pageant, which should open in made the finals of the Miss

made the finals of the Miss United Kingdom contests. The couple were married in 1962, and according to him have remained friends since their divorce.

Cyston is now set to become
King of The Beauty Queens as
chief executive of the Miss World

team but Oyston, who says his tabloid title of "socialist millionaire" is inaccurate, sees nothing aire" is inaccurate, sees nothing distasteful in the annual swimsuit parade. "I think the Miss World contest can show people that beanty can evolve from keeping fit and eating the right foods," he says.

Late for tea ■ Sign in a cafe in the South of



OMEGA ALWAYS MARKS SIGNIFICANT MOMENTS. IN THE OLYMPICS. IN THE SPACE PROGRAM. IN SIGNIFICANT LIVES LIKE YOURS. THE OMEGA CONSTELLATION. FOR YOU BOTH.

OMEGA - OFFICIAL TIMEKEEPER OF THE OLYMPIC GAMES. CALGARY AND SEOUL 1888

FOR FURTHER INFORMATION CONTACT YOUR OMEGA JEWELLER OR

TELEPHONE 0703 611612.

#### Voting rights are still restricted

June 7 196

the state of the s

there there are a second to the real and the second to the real and the second to the

hand was be the wath here

mister Bob

alls Bond

civersity of

thireson J

Company of the second

Total and

in a level had to

Ber Berein ber

.. 10 m mis

if the parties

The little of

to the fact feet

The state of the s

the state of the s

eres in the r

fige fails their

Contracts

A. Calabas Ca

THE TANK

Acres 1886 1.51 1.11k

.: .:2 LBn trough

in 53. 1

Tar od: 🎓

forted by

· .the

first

From Mr Treoor Russel
Sir, The Government's intention to ease restrictions on the voting rights of British citizens living overseas by extending the present cut-off period beyond five years is welcoma, of course. But why are ministers still refusing to do the obvious (and right) thing abolish the time limit alto-

Because - as the Government's consultation paper makes clear - they persist in believing that the longer someone lives outside the country, the less their interest in, or knowledge of, UK affairs. This is untrue - and besides, since when has an interest in or knowledge of UK affairs been any kind of requirement for people living in the UK to vote?
The fact is that any time limit is purely arbitrary, and unfair. There is neither logical nor moral justification for keeping such a restriction. It should not have en imposed in the first place: it should certainly be acrapped now. And if the present Govern-ment really is a "radical, reforming and caring one, it will do so. Trevor Russel, 45 chemin de Planta, 1223 Cologny,

#### This man's art and that man's scope

From Mr K.T. Shute Sir, Dealing in fine arts has always been a competitive husiness. However, I did not realise how far some of our competitors were prepared to go in order to attract new custom until I read of an art gallery which appears to provide " . . Supper from 10pm-3.30am. Disco and top musicians, glamorons hostesses, exciting floor shows" (FT Business Oppor-

tunities section, May 30). We are proud of the fact that we have been in business for over 300 years but, clearly, we have failed to move with the times. We are therefore drastically reviewing our marketing strategy and I have reserved for myself the wea-risome chore of interviewing potential glamorous hostesses. Telford Shute,

Spink & Son 5, 6 & 7 King Street,

#### Limited deficit clause introduced

From Mr J.C.V. Lana. Sir, Mr Tom Benyon doubts (Letters, June 2) that any Lloyd's of London agent would introduce voluntarily a profit commission deficit clause. We would point out that this agency voluntarily introduced a limited deficit clause after the 1983 account loss

of syndicate 582.
It can be seen, therefore, that we believe in principle that the concept of a voluntary deficit clause is equitable, although it is important to consider carefully all aspects of both vertical and horizontal deficit clauses before introducing them; there are more complications and implications than might at first appear to Names (members of Lloyd's). J.C.V. Lang, Cassidy, Davis, St Helen's, 1 Undershaft, EC3

#### Lords of our far. flung battle line

From The Marquess of Ailesbury. Sir, Perhaps it will reassure Mr Stanley Best (Letters, May 25), who worries about insufficient independence in the House of Lords, if I reveal that part of Lord Ponsonhy's problem is that socialist reinforcements sent up to the front do not invariably remain within the socialist

Ailesbury, House of Lords, SW1

Like two front legs competing with two back legs in order to run faster'

From Mr A.R. Cooper.
Sir, So the tablets have come down from the mountain, and a white Paper on electricity "privatisation" has been rushed through. The proposals, so far as they are comprehensible, would be hilarious if they were not so devastatingly disturbing and

The generating plant of the Central Electricity Generating Board (CEGB) is on some basis to be split into two groups: ona large - Big G, with all nuclear power stations; and one smaller - Little G. These two groups are supposed to compete with each other in order to reduce the ultimate cost of electricity to the

It would be like putting the two front legs of a racehorse in competition with its two back legs in order to make it run fas-

Groups of stations cannot compete with other groups. Even sta-tions cannot compete with sta-tions if the lowest overall cost is to emerge. The order of merit (on which the whole financial perfor-

From Mr J.W. Baker. Sir. In their report, "Coal on the Marker: Can British Coal Sur-vive Privatisation?" Mr Prior and Mr McCloskey state that the Central Electricity Generating Board (CECB) would not achiave a £750m saving from importing 30m

Our figure of a potential £750m saving derives either from importing 30m tonnes of coal at

#### Letters to the Editor

#### Let us above all be objective

From Mr A.H. Hart. Sir. I welcoma a vigorous debate about the future of the south east region of the UK if it leads to a more active Government approach to regional issues. am a strong supporter of the Government, but I do wish it would oil the wheels rather more in the interests of spreading the development benefits. The debate has concentrated

on housing numbers. This obscures the vital point that future demand for housing is in part a result of the south east's economic success. To the extent that this success should con-tinue, more housing will have to be provided. This is the real problem facing the west of the region, and the Government should

address it in regional terms.

There are other parts of the south east which can take further development. Kent County Council aims to stimulate business activity on this side of London, and to meet its share of the new housing requirements. In doing so we take the Secretary of State's point that planning is about balancing the need for development with environmental concerns. Wa hear a lot from the latter lobby, hut must pay objec-tive regard to the former. Kent

My main disagreement with the "stop development" lobby is its assertion that current trends will lead to the urbanisation of the whole region; in Kent we are anpposed to be in danger of building until you reach the sea." What nonsense: a look at aerial photographs shows how much of the region outside Lon-don is green. Some areas on the

A.H. Hart, Leader, Kent County Council, other side of London are more Maidstone, Kent

From Mr V.H. Blundell. causes of this vexing problem.

are determined by supply responding to demand, as with most goods on the competitive market. Not so with the land an act of despair, when the true underneath, which cannot remedy is crying out for implerespond "readily" or otherwise, mentation.

being fixed in supply. Rationing V.H. Blundell, by price is the consequence. 14 Tensing Garde It is indeed regrettable that the Billericay, Essex

built up than others; this should be reflected in an overall regional natural value; good farm land. Strategic planning's task is to in 1981. focus on the significant areas As we which remain. where well- of a grossly distorted indepenplanned schemes can meet devel dent radio market void of effec-opment needs. Ashford has been tive competition, we have obviidentified as such an area in

Well-planned" is the point. suburban sprawl, and its lack of associated services and amenitles. Developers are in this sense their own worst enemy.

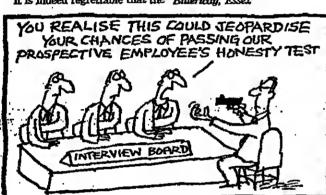
District Councils need to make maginative proposals for new forms of development in local plans. We need schemes in which a proportion of the leap in land values arising from a planning permission is used to improve the local infrastructure, provide

In short, let us have some posttive thinking, regionally and locally. Let us above all be objective. I am afraid that some of my political colleagues view of "sane planning" is based on an ill-informed, alarmist and emotional view of the situation.

#### Land rationed by price

Sir, Your editorial on the surge last land tax - the rates - but of house prices (May 31) does not so foolish to imagine the sigthrow light on the But not quite enough . . . . The prices of bricks and mortar

Government has abolished the nificant effect a straightforward direct land-value tax would have had on land - and thus houseprices. We have already seen this effect in reverse, I submit that direct credit controls would be a betrayal of market principles and 14 Tensina Gardens



#### Theft should not be tolerated

From Mr Bruce Gifford. Sir, At last it appears that Brit-ish business is starting to take the problem of employee theft and fraud seriously. ("UK company fraud costs £5hn," May 31).

Physical and electronic surveil
Employers are far too complalance measures are not and can-not be wholly effective. Employers are now trying to eliminate the fraud and "shrinkage" prob-lem at source – at the employee recrnitment stage - hy using attitudes to honesty testing.

We have developed and refined

We have developed and refined a test which helps employers identify honest – and emotionally stable – joh applicants, based on the psychological tenet that "attitudes predict behaviour." It identifies job applicants who are high risk. It is not designed to replace but to com-

The whole grid system, which hy a stroke of the pen. Other mat-as been operating for 30 years ters – approval of budgets, over-and more, is showing signs of manning, general expenses, purhas been operating for 30 years and more, is showing signs of wear and tear; it is heing replaced or refurbished over a period of years. This is a tricky in the state of the husiness: supplies have to be maintained while services are being replaced. It calls for the closest continuous co-operation between the transmission people and the station operators. If serions interruptions of supply are to be avoided, the operations of the two groups will have to be man-

aged by a single hody. They should not be separated.

Mr Cecil Parkinson, the UK Secretary of State for Energy, denounced the CEGB as a monopoly. It is a monopoly, but so is every system where consumers cannot switch to another supplier. If the price of electricity seems high, the solution lies in

about half the average cost of £42 per tonne that we pay to British Coal, or from a price response from British Coal in the face of

selves suggest that the average against this analysis, why the cost of coal from UK sources could well be less than £35 per coal bill by £750m should not be a tonne at the pltitised given modifies.

Assuming that Bettick Coal and Room! est improvements in productiv-ity. If so, the CEGB bill reduces by over £500m.

reaustic objective.

Assuming that British Coal can achieve production costs about £25 per tonne pithead by introdu-

plement personnel executive judgement, used in conjunction with standard examination procedures such as observation, inter-

Employers are far too compla-cent about dishonest staff. Expe-rience confirms my bellef in the ET-ET formula (employer tolerance equals employee theft.
Until employee fraud/theft/
shrinkage is treated by employers and the media with equal serionsness as crime in the streets (and crime in the City) the problem will continue to

mance is hased) continuously looking for causes and applying of people in the industry. Apart compares the incremental cost of remedies which make sense not from the area board chairmen, production of each generator and in breaking down a system which allocates loads on this hasis. is regarded as a world leader. straints into account, the best in the price of electricity is fuel.

This is currently distanced by the straints are straints. This is currently distanced by the straints are straints are straints.

> chase of properties and the like - could be the subject of continnous management audit hy a small committee. This committee could also act as an omhudsman between the consumers, the area boards and the CEGB, and as a buffer hetween the CEGB and the Government. The Area Boards could be privatised and given freedom to purchase their supplies from any source and even to build their own small stations, preferably with combined heat

What the galloping privateers Andrew Cooper, have failed to observe is the dam- 42 Hove Park Road, age they are doing to the morale Hove, East Sussex

£25 per tonne pithead by introdu- 15 Newgnie Street, EC1

Déjà vu in radio industry development From Mr Paul Boon.

Sir, News - if correct - that the Government is now unable to allocate enough time in the next Parliamentary session for a Radio Broadcasting Bill, is more than just a little inconvenient

To members of my association (would-be new entrant broadcastbe reflected in an overall regional ers) it brings a sense that wa view. Extensive countryside is have all been this way before protected from development: the There has been uniform failure to proper "Green Belt," between 12 achieve any kind of tangible and 15 miles deep around Lon- development for the industry per don; areas of great landscape or se since the former Home Secretary, the present Lord Whitelaw, This protection must continue. first mooted a Green Paper back As we enter the second decade

ously failed in our objective to convince ministers of the size of "Well-planned" is the point the problem. The industry is set Much of what has been built is to expand four fold to about unattractive. In my experience, a £310m a year. This would be great deal of opposition to devel- through the organic growth from opment arises from the resulting over 250 licenced local radio operators, plus three nationals. All new stations would offer consumer choice in a comparatively free market, while at the local level they would stimulate economic growth in hundreds of towns as well as in the inner

Suppliers, manufacturers and would-be operators who (like us) have a healthy respect for such ideals. have repeatedly put some low-cost housing and give a together business plans and high quality environment. Let us sought out investors. Once again take a hard line against the time spent will have been wasted, money will have been lost, and credibility with the business com-munity impaired.

It is as if Government is making it deliberately difficult to raise investment - because the goal posts regarding the time-table keep changing. Broken promises and vagueness are no foundations on which to build a secure industry. Further delay is wholly unjustified.

Paul Boon. Association for Broadcasting Development Glebelands, Pilgrims Way,

Oxted, Surrey

Class warfare simplified

From Mr A. Edwin Stevens. Sir, The international air trave survey, European Data and Research Report, mentioned in your issue of May 28, states that European travellers are sceptical of the value of "first" and "business" class seats. Half the business travellers fly "economy" class on the short continental

British Airways (BA) has sought to popularise "cabin" class, but my recent experience (not with BA) has demonstrated that the present aircraft are not designed to accommodate three classes - first, cabin and economy. On one recent flight, cabin class was a high-sided box in the middle of the aircraft, with the entrance through the forward door, passengers were prevented from sitting until the door was

The railways have long given up first, second and third classes and have settled for first and second. Would it not be appropriate for the airlines to offer first class at, say, about 50 per cent above the price of second class, which would then take the place of economy? A simple calculation shows that if half the passengers travel first class, the income could be greater than with the present economy class plus two superior classes. There would be greater simplicity and comfort for the many who now find cramped conditions in economy class, and who would be willing to travel first class at a reason-able extra charge.

The survey indicates that ne thinking is required. May I com-mend the modified first and second class for consideration - and the elimination of the undesirable word "economy"? A. Edwin Stevens.

Penates. Littleworth Common Road, Esher, Surrey

from the area board chairmen, who see wider opportunities ahead, there is hardly an employee – from the highest technical level to tha unskilled workers – who does not feel that the future is now insecure, that any form of forward planning is impossible, and that at the end of

the day electricity will be dearer. The greatast single error of judgement in the whole business is the proposal to create Big G and Little G. (This can become the electrical world's bad joke.) The proposal to split off the grid system from the generators has nothing to recommend it. (The correspondence columns of the technical press are flooded with condemnations from people who

know their husiness.) I wonder if the Secretary of and power.

All these things could be done
by legislation over a period, withwe have made a few mistakes. State is big enough, even at this out tearing down the present Let us rub things out and start

if, as the report suggests, 30m cing flexible working practices, tonnes of imports could further as suggested in the report, then reduce the bill by £400m, then the case for a massive reduction authors of the report seem to be in the price of its coal is proven. I that possibility.

Prior and McCloskey them
envisaging savings of at least feel sure that the electricity con
sumer will take great comfort in

Central Electricity Generating

PERHAPS the greatest surprise of last week's Moscow summit was that President Reagan turned out to have meant it when he said beforehand that, for him, human rights was the first item on the summit agenda. With hindsight, however, there are two fairly obvious reasons why Mr

Reagan should have chosen to play it that way. In the first place, arms control the traditional centrepiece of superpower summitry, was not ripe for another major push. Contrary to what both Mr Reagan and Mr Corhachev claimed to hope when they parted in Washington last December, the strate-gic arms reduction treaty is not yet ready for signature, and it would clearly not be in the US's interest for Mr Reagan to appear to be in too much of a hurry to

sign it before he leaves office.

The other two headings on the US-Soviet agenda, as presented by the US, are "regional" (Third World) conflicts and bilateral issues. Undoubtedly in both these areas there has been significant progress, and a lot of the serious talking at the summit most have been devoted to them. But the essence of regional conflicts is that they involve other parties besides the auperpowers them-selves, and those other parties are liable to take offence and become unco-operative (or even less co-operative than usual) if the superpowers appear too biatantly to be trying to settle their

affairs en tête à tête.
Even the setting of September
29 as a target date for an agreement on Angola and Namibia – the summit's one public decision on a regional issue – has already opset the South African Government. The myth that Roosevelt and Stalin agreed at Yalta to redraw the map of the world remains a potent one, and maller powers are forever on the ookout for a repetition.

As for bilateral relations, that is an area where any improvement tends to be seen in America as a concession by the US, unless clearly related to an improvement in the Soviet performance on human rights. Which brings us round to the second reason why it should have been foreseen that Mr Reagan would emphasise the human rights theme, and would probably have done so even if there had been another major arms control agreement to ign as well.

The better US-Soviet relations get, the more Mr Reagan lays himself open to the accusation of having forgotten the platform on which he was elected, namely the uncompromising defence of the free world against Soviet communism coupled with the rolling back of communist tyranny, where possible, through support for anti-communist liberation movements: in short, the accusa-



to see American freedom for him-

clearly reversible, and potentially dangerous, when it was Mr Rea-

gan's turn to visit Moscow. For a

head of state to visit a country

implies a degree of recognition

meeting with its leader on neu-

tral ground, or even in welcom-ing him to your own house. The spectacle of "grandpa Reagan"

joining the tsar of world commu-nism for a walkabout and baby-

kissing session in Red Square

was foreseeable and inescapable. So was the message which that spectacle would carry. Clearly Mr

Reagan was going to have to unsay, or at least declare no lon-

ger operative, his remarks about

the "evil empire" - though ironi-

cally it was not a Soviet but a

British journalist, Xan Smiley of the Daily Telegraph, who obliged him to do so explicitly.

have meant implying that the human rights issue was effec-

tively solved; and while there has

To have left it at that would



Tête-à-tête,

toe to toe

loud and clear hy many of his Moscow has fulfilled all its obli-original supporters last winter, at gations under the Helsinki Final

the time of the Washington sum- Act. Had Mr Reagan wished to

mit and the INF treaty. Mr Rea- pretend otherwise he would have

gan was able to parry it partly by exposed himself to instant ridi-defending the substance of the cule hy people like Natan Shehar

treaty, partly by saying that Mr ansky. Mr Shcharansky pointed Gorbachev is different from his out in the New York Times just

predecessors (which is manifestly before the summit that one of his

true), and partly hy saying it former celimates is still in prison would be good for Mr Gorbachev precisely for trying to monitor

But that last argument was still serving a sentence for pro-

and acceptance of its political ministry for a press conference.

arrangements considerably Of course there is much scope
greater than that involved in for argument about the "irrevers-

**Edward Mortimer** defends

President Reagan's decision

to emphasise human rights

at last week's summit

precisely for trying to monitor Soviet compliance with the Hel-

sinki accord, while another is

testing against the banishment of Andrei Sakharov, even though Dr

Sakharov himself is not only

back in Moscow but accorded the

facilities of the Soviet foreign

ibility" of the changes Mr Gorba-

chev has introduced. Certainly

they have made possible a wealth

of public debate and agitation

undreamt of in Russia since the

immediate aftermath of 1917, and

it is probably true that the stron-

gest pressure for further liberalis-

ation now comes from within, It

could be that in certain circum-stances the identification of this

pressure with foreign powers will

now become counter-productive,

providing the opponents of such

pressure with a chance to appeal

That may apply, in particular, to the continued singling out of

Thanks to Western pressure it is now much easier for Jews to

to Russian xenophobia.







embassy in Moscow) continues to rise every month - in May it was over 1,100 - while the number who actually go to Israel has now fallen to under 10 per cent.

There is clearly a danger that the use of Israeh visas as a trans-parent escape route to the West, where many other Soviet citizens would love to go if they could, will fuel the revival of Russian anti-Semitism, and it would appear that Israel and the Soviet authorities have a common interest in restricting the issue of visas to those genuinely anxious to settle in Israel – something which could no doubt be negouated once Soviet Israeli diplomatic relations are restored.

But that is hardly a valid argu-

ment for dropping the human rights issue as a whole, and if is were Mr Reagan would hardly be the man to take it up. Meanwhile, cases where foreign pressure clearly is effective continue to multiply: the latest being the last-minute granting of visas to Israeli and British lawyers to attend the International Bar Association conference in Moscow, when the organisers made it clear they were prepared to cancel the scheduled session on human rights unless all the participants were able to attend. The idea that Mr Gorbachev should be given a break while he slugs it out with his conservative opponents at home is all the more seductive for being assiduously peddled, not - it should be noted - by Dr Sakharov, but by some Soviet officials who present themselves, perhaps quite sincerely, as his supporters. Yet for the time being it remains true that such freedom as Soviet clti-zens enjoy is conceded to them more or less grudgingly by the

the circle of party members who decide these things he has so far had only limited success. Within that circle as at present constituted there is obviously no consensus about how much fur-ther glasnost should go, or even whether (as Mr Ligachev keeps hinting) it has already gone too far. By contrast there is, as far as one can tell, a very broad consensus on the desirability of lowering international tension and cultivating better relations with the West, if only in order to relieve the pressure on the Soviet econ-

Communist Party, and that while

Mr Gorbachev is trying to widen

That being so, the need to keep the international atmosphere harmonlous must provide Mr Gorbachev with one of his most powerful arguments for continu-ing liberalisation at home. If that Jewish would be emigrants (refuseniks) for special attention. is indeed what he wants to do, continued Western pressure for broader and more secure buman now much easier for Jews to rights must objectively be in his leave the Soviet Union than for interest (as old-style Soviet writany other Soviet nationality. The ing he may find it on a day-to-day

omy.



Giving someone a Cross

pen isn't necessarily a sign that you love them. True, many are given as very personal gifts.

But a Cross writing instrument can also express more businesslike sentiments.

It can say "thank you for your efforts"

Not every Cross comes with a kiss.

and "keep up the good work" to your

to your customers. Even as a gesture of

Cross pen is certainly a most memorable gift.

the world's finest writing instruments.

appreciation to your suppliers.

Or it can serve as a gentle reminder

Whatever your reason for giving, a

After all, it is unquestionably one of

To make a single Cross pen takes no less

employees.

Every component is machined to an accuracy of one thousandth of an inch.

than 150 separate operations.

The result is a writing instrument of unrivalled precision and a possession to treasure for a lifetime.

Indeed, it is backed by a lifetime mechanical guarantee.

And when a Cross pen incorporates your company's logo, you can be sure it will always be remembered as a gift from you.

Your logo can be reproduced faithfully either in enamel, in up to six colours or diestruck in a special jewellery finish

For more information, telephone our Business Gift Department on 0582 422793 or write to us at the address below.

We will send you our Business Gift Pack, not with a kiss, ADACOS but the promise of something far more enduring. SINCE 1848

Model shown: 14 carat rolled gold ballpoint. For details of the full Cross range and a business gifts pack write to AT. Cross (UK) Lid, Concorde House,
Concorde Street, Luton, Beds LU2 OJD. Tel: (0582) 422793. T.H.F. logo depicted is that of Trusthouse Forte Airport Services.

# **FINANCIAL TIMES**

Tuesday June 7 1988



#### **UK** interest rates up for second time in a week

By Simon Holberton in London

THE UK GOVERNMENT yester THE UK GOVERNMENT yester-day took advantage of sterling's weakness to raise bank base rates by half a percentage point to 8½ per cent, the second rise in less than a week.

The move, which had been anticipated by financial markets, was engineered by the Bank of

was engineered by the Bank of England yesterday morning without prompting another surge in the pound.

The Treasury sought to emphasise that yesterday's decision to raise interest rates was not an attempt to prop up tha pound but was taken to tighten monetary conditions.

Sterling closed half a pfennig weaker against the D-Mark at DM3.0950 but marginally stronger against the dollar at \$1.8025. Financial analysts said yesterday that if sterling continued to weaken the Government might

act to raise interest rates again.
UK huilding societies said they
had no plans to increase their bome lending rates for the time being, although some indicated that another rise in base rates could prompt an increase in home borrowing costs.

The rise in rates was greeted with almost universal approval by UK financial markets. Barclays led the other major clearing banks with balf a percentage point rise in its base rate to 8% per cent soon after the Bank

changed its dealing rates.

Share prices rose in spite of the rise in rates as investors were cheered by the prospect of a lower pound which should help the exports of UK companies. The market ended on the high of the day with the FT-SE 100 Share Index up 13.5 points at 1,832.7 and the FT Ordinary Share Index up

8.4 points at 1,452.8. The gilt-edged securities market also responded to the base rate rise favourably. Prices for long-dated UK government bonds continued to rise throughout the day and, at the close, they had risen le of a point to yield 9.38 per

Both markets were encouraged by the rise in interest rates. UK financial markets had been uncomfortable with interest rates at very low levels because of the threat they were seen to pose for

inflation.
Yesterday's increase in hase rates followed a balf point rise to 8 per cent last Thursday. Both rises followed consultation hetween the Bank of England and the Treasury and with the full knowledge of the Prime Min-

It is understood that yester day's decision was taken after a review of market conditions in the morning. This would bave shown that the foreign exchange market had failed to re-establish its past holdings of sterling despite the high rates of interest prevailing in the short-term

money markets.

Both the Bank and the Trea sury were pleased that yester-day's rise failed to reignite the foreign exchange market's interest in the pound.

City analysts cautioned, however, that there could he a delayed reaction to the rate rise and that sterling could gain in

strength in the coming days.

The Treasury said it did oot expect the pound to rise sharply although it added that foreign exchange markets were uppredictable. The curreocy's performance over the past two business days showed that sterling had found a new level.

The Treasury said it was more comfortable with a situation where UK interest rates were bigber and the pound's value against Britain's trading partners

The Bank was similarly pleased with yesterday's develop-ments. The balance of policy had

changed in a way that was more to its liking. However, the Bank remains concerned about the pace of eco-nomic expansion in Britain, espe-cially consumers' demand, which

it regards as containing latent inflationary pressures.

The buoyancy of demand was underlined yesterday with the release of corrected figures for retail sales in April. These showed that the volume of sales was 6½ per cent higher in the three mooths to April than for the same period last year.

# Perestroika's embarrassing double face

RADIO CORRESPONDENT Vladimir Mezeotsev might have expected to be a popular hero in the Soviet Unioo this week, singled out by Mr Mikhail Gorba-chev, the Soviet leader, for spe-

Mr Mezentsev, nntil very recently the correspondent for Gosteleradio, the state broadcast-ing organisation, in the remote Far Eastern island of Sakhalin, appears to have fallen foul of the conflict and confusion which are rife in the current Soviet debate over the limits of political reform.

His crime seems to have been that he took the process of perestroika too far - in calling a public meeting on his island to denounce the local leadership of the Communist Party, leading to the resignation of the First Secre-tary and a clean slate of delegates for the Communist Party

conference. His fate looks like an embar-

of perestroika had now reached the most remote corners of the

Soviet empire.

The story of Vladimir Mezentsev has emerged in three instalments. The denouement – that he has been removed from his job by Gosteleradio for "a hreach of journalistic ethics" – was only revealed yesterday by Argumenti
y Fakti, the restricted-circulation
newspaper reserved for key work
ers in the ruling party.
It was Mr Gorbachev who first

brought Sakhalin's exercise in popular democracy to interna-tional attention when he told his post-summit press conference that it was an example of how perestroika was "already present

As a result of the public meeting on the island, he said, a ple-

rassing public humiliation for the in the region, and adopted deci-Soviet leader, who last week sions that were needed for the result was the resignation of Mr quoted the example of Sakhalin process of damocratisation on to demonstrate that his process Sakhalin to gain momentum. Sakhalin to gain momentum.
"So perestroika has reached

and denounced the lack of decent housing, the poor food supplies and the privileged life-style of the party leadership.

gates and Mr Tretyakov in particular for "violating social justicular for busining accommodation for his relatives."

That same day he was sum-

secretary, at the plenary meeting which followed.

"So perestroika has reached Sakhalin," be declared.

The first details of the story were published in Sovietskaya Rossiya, newspaper of the Communist Party in the Russian Federation, which showed there had been a mass popular protest sparked off by a radio broadcast. (There was no mention of who made it.)

"So perestroika has reached Yesterday in Argumenti y Teating the broadcast an announcement on the local radio for the television programme "Focus on Perestroika" – a national institution – on bow Sakhalin chose its delegates for the party conference.

Members of the public gathered outside the Chekhov theatre and description of the lack of decent

That same day he was sum-"We have been standing in moned back to Moscow by Gostequeues for years and still live in leradio. He was hauled before a woodeo barracks," they said.

They set up an action commit-which resulted in his dismissal tee to pressurise the local party just one week before Mr Gorba-for action – and to demand genuchev's public endorsement – on num of the regional party committee had found it necessary to ine democracy in the choice of live television – of the whole "strengthen the party leadership party delegates for this month's affair.

One of South Korea's largest groups finds itself out of favour, writes Maggie Ford

# Hyundai tarnishes its image

BY ANY standards it has been a bad week for Hyundai, South Korea's second largest diversified husiness group, known abroad

mainly for its motor cars.

Strikes bad broken ont at many of its larger plants by the weekend; two senior executives were in jail charged with kidnapping a union organiser and a third was under investigation.

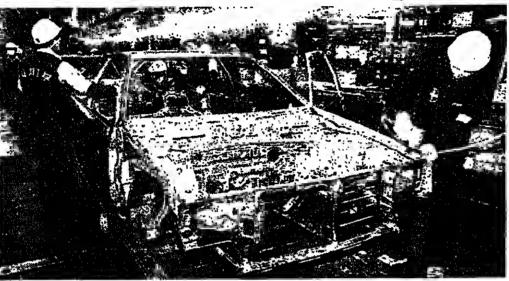
Amid public scorn and derision at its behaviour, the company had acquired the dubious distinction of being the first in South Korea where the management felt the need to form its own trade union.

trade union.

The company's plight, regarded hy most people as self-inflicted, follows its hard-line approach to staff. It is still controlled by Mr Chung Ju Yung, its entrepreneurial founder and bonorary chairman, who officially retired last year. The company has resisted effective he workers to unionise attempts by workers to unionise and has adopted an authoritarian style of management even

towards its white collar staff. construction sites in the Middle ily visits; not very high salaries and a similarly disgruntled work-

resulted in a less repressive political climate, they decided to form a union to press for better conditions. A senior management task including force, formed to persuade the in three staff not to go ahead, appears to Mr Soh. have been successful in persuad-lng nine out of the 10 union dai last week saw an outhreak of organisers to give up the idea.



Workers on Hyundai's car production line, which has been shut down indefinitely following a series of strikes

in April he disappeared after hav- cision, the defence contractor, ing drinks in a bar with company where tempers were becoming had engineered his own disap- ment was reached. After the

man of Hyundai Engineering and Construction is under investiga-tion for illegal labour practices, including possible involvement in threatening and kidnapping

Earlier this year the senior ing drinks in a bar with company where tempers were becoming staff at one subsidiary, Hyundai Engineering and Construction, had had enough. Managers at this company have a particularly difficult life, being posted for periods as long as two years to company claimed that Mr Soh plant and negotiate until a settle-bad engineering life in April he disappeared after nav-cision, the defence contractor, the congionerate that suffered a wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming to wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming to wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming to wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming to wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming to wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming to wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming to wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming to wave of strikes in April, has his-ing drinks in a bar with company where tempers were becoming to wave of strikes in April, has his-ing drinks in a bar with company cision.

East, with very long hours in bad pearance in a plot to gain support negotiators' departure last that Hyundai is perhaps the conditions; no home leave or fam- and put blame on Hyundai. Wednesday, reports that a settle- best known company abroad, After an increasingly bizarre ment was imminent turned out bave expressed astonishment and long-running police investi- to be inaccurate. Accusing the that it would engage in activities force to supervise.

gation, two senior managers were company of insincerity, workers that they regard as childish, not charged last week with instigathed a rally on Saturday at the to mention unethical ing the kidnapping. The chair nearby town hall.

It is difficult to see how the

dai Precision and Won78,000 at to urge both sides to negotiate.

the conglomerate that suffered a

Korean businessmen, aware

Negotiators at both subsid-company can extricate itself from laries are far apart, with workers' the mess without making a clean claims of a pay rise of Won130,000 breast of it and offering an apol-(\$177) per month being countered ogy. Government policy is not to by an offer of Won62,000 at Hyun- intervene in union disputes and Hyundai Motor. Both were Now that the police are

lng nine out of the 10 union organisers to give up the idea. strikes at Hyundai Motor, where The tentb manager, Mr Soh the plant has now been closed Chong Ui, resisted, however, and indefinitely, and at Hyundai Predai, which along with Daewoo, its ways.

# IBM to transfer more jobs

Continued from Page 1

continuing improvements in cus tomer relations, product quality and productivity, predicting a dramatic improvement in the performance of the group's com-puters. Mr Akers left little doubt that he regards the launch of a new mid-range machine later this mooth as a crucial alement in this recovery.

Commenting on the present world shortage of memory chips, which has handicapped virtually every major computer manufac-turer in recent months, he said that IBM had a competitive advantage over many of its rivals because of its own internal supplies. He blamed the shortage on lack of investment among semiconductor manufacturers and fabrication problams with that new generation of very high capacity chips, claiming that the US-Japan anti-dumping trada agreement had contributed little to the problem.

**World Weather** 

# Mexico seeks debt guarantee in Japan

BY IAN RODGER IN TOKYO AND STEPHEN FIDLER IN LONDON

MEXICO is negotiating for unprecedented Japanese govern-ment guarantees for bonds which would be used to reduce its \$103bn foreign debt burden. The Mexicans want the Japanese to be ready to guarantee the interest payment on the bonds, which Mexico would then swap

with creditor banks in return for some outstanding loans. The aim is to capture the discount to par value at which tha loans are valued in an informal secondary market for bank loans to the Third World.

Third World.

The Japanese Ministry of Foreign Affairs said yesterday that great efforts were being made to help Mexico deal with its debt burden. According to one report, however, the Japanese Ministry of Finance was less enthusiastic about the idea, preferring to see other governments join in. The Finance Ministry was also said to be concerned about setting a prehe concerned about setting a pre-cedent for other large dehtor

According to western bankers Japanese guarantees are just one of a variety of options being considered by the Mexicans

The Mexicans have led the way in innovative hond-for-loan swaps, holding the first auction of its kind in February. This received a lukewarm response, with hanks tendering only \$3.66bn in loans, compared to the \$10bn which the Mexicans had hoped for. Mexico issued \$2.56bn of 20-year bonds, which pay lower interest rates than the loans, to the banks in exchan

The principal on the bonds was collateralised by the purchase hy Mexico of special US Treasury securities, which mature in 20 years, but which pay no interest.
Gnarantees would be much
cheaper for Mexico than collateral, and would enable them to obtain deeper discounts on the loans. Mexico's bank loans cursell for about 55 cents on the dollar in the secondary mar-

#### French parties in pact moves

by "calling" for the withdrawal of Socialist candidates in favour of Communists where the Communists came ahead in the ballot, "according to rules of reciproc-

In Marseille, a member of the National Front claimed (anony-mously) that negotiations for a woting pact were well under way with Mr Charles Pasqua, a senior campaign manager for the neo-Gaullist RPR party and Interior Minister in the previous government. Mr Pasqua denied that he had beec in contact with the National Froot although he indicated ambiguously that Mr Jean-Claode Gaudin, the centre-right candidate, was "responsible" for the conduct of the election in the Marseille region.

Although the National Front vote was only 9.6 per cent the party has 30 candidates who scored well enough on Sunday to be entitled to go on to the second

# US bailout totals \$1.3bn

in turn, was smaller thao the \$3.5bn rescue earlier this year of First RepublicBank in Dallas, estate markets, but in addition to which was financed not by FSLIC but by the better-capitalised Federal Deposit insurance Corporation, which backs the US commercial banking system.

Southern California has been among the stronger US real financial Diversified and North among the stronger US real financial Corporation of American by far the biggest technically insolved S&L in the country.

over \$40m in damages.

In purely statistical terms, the cost of paying off depositors at the two California institutions gament and inept regulation was dwarfed by last month's exist throughout the US savings announcement of a \$2bn injection and loan industry, not just in the of FSLIC funds into the merger of commically depressed regions four insolvent savings and loans institutions in Texas. That deal, in turn, was smaller than the Southern California has been

THE LEX COLUMN

# **Bond gilds** the lily

Bood Corporation's A\$850m bid for Bell Group is a long way from being its higgest takeover offer to date, but it is almost certainly its least favourite. Not before time, the National Companies and Securities Commission, Australia's equivalent of the SEC, has decided to bare its teeth and Bood Corporation has been pushed into paying a very full cash price for a company that it had previously tried to acquire on the cheap.

Not only is Bond Corporation

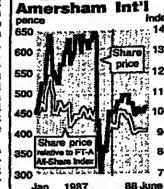
Not only is Bond Corporation having to pay an apparent premium over Bell Group's net asset value, but it is adding another A\$500m of deht to a balance sheet which would already make a seasoned Third World hank-lender decidedly nervous. Depending on how one does the sums, Bond's net deht to equity ratio, after the acquisition, ranges from 2.2 times to 4.6 times and interest cover is running at around two times. Admittedly, the brewing operations provide a solid cash flow, but this is only accounts for around 45 per cent of profit before interest and tax these before interest and tax these

problems. Not only is it sitting on a sizeable chunk of cash, which a sizeable chunk of cash, which could substantially improve his capital ratios, but it still has substantial lines of credit in place. With 7 per cent of the shares already in hand, Bond should soon he able to tap into Bell Resources; and the weakness of the latter's chara price vectories. Resources; and the weakness of owes more to bid speculation; the latter's share price yesterday reflected the understandable belief that having been forced into making a hid for Bell Group, the last thing Mr Bond will want to do is bid for Bell Resources. Amersham's articles of association virtually rule out anything but an agreed bid and the management has made clear it is not agreeing mood. Longer talisation of Bond Corporation itself. This would be one way of infavour; diminutive Amersham reducing the borrowings of Dalmold, Mr Bond's family company for a company like ICI, which owns over half of Bond could obviously afford to make sure that the price was right.

#### Amersham

International

petitors pricing in cheap dollars, Amersham could hardly be more vulnerable to exchange rates hut one would scarcely know of surprise to a move that the



Like Mr Holmes à Court, Mr even tougher. Although the much-touted Amerlite diagnostic that Bell Resources, which is 42 per cent owned by Bell Group, buting to profits, Amersham's holds the key to his financial problems. Not only is it sitting on holds. trensury managers could well have a struggle to ensure any earnings growth at all for the

Success at hedging currencies is not normally the sort of activity which commands a high p/e. and Amersham's prospective rat-ing of 14 times earnings probably owes more to bid speculation;

#### Markets

The Bank of England should be well pleased with its interference With nearly all its products in the money markets yesterday, manufactured in the UK, most of By acting at a time when the them sold overseas, and its compound was sitting firmly at DM3.10, only 2 pfennigs below the trigger for the previous rise, it managed to add a healthy twist

money markets had been confidently anticipating for a couple of days. The decision to move rates up slowly also seems to be paying off, with the pound showing no inclination either to dash off the other way, or to force the Bank into further rises in rates at Bank into further rises in rates at once. Even the stockmarket seems impressed, having latched onto the idea that inflation is not just bad for gilts, but somehow

bad for equities too. The Bank must also relish the confusion created among speculators over the desired mix of

If it was hard work pulling off to 9.5 per cent by September, half such a trick last year, though, the current year is likely to prove fun with sterling began in March. Even this may turn out too low: after all, base rates were only reluctantly towed down from 10 per cent last summer to prevent the recession that the Crash was supposed to bring.

#### Tate & Lyle

At a time when interest rates are creeping up again, every little bit of gearing counts — so the market was pleased yesterday when Tate & Lyle sold an unwanted hy-product of the Staley acquisition, CFS Continental, for both a little bit more than expected and a little bit soner than had been hoped. Tate & Lyle's shares rose 26 per cent on Lyle's shares rose 2.6 per cent on the news that it bad sold for \$700m what it once believed to be worth only \$500m, and on the prospect of gearing falling to "only" 110 per cent from more like 260 per cent before the deal. When Tate & Lyle launched the Staley bid in April, a signifi-cant leap of faith would have golden parachutes would have been disentangled, legal barriers cleared and misfit divisions disposed of within only eight weeks. All this has now been done, and Tate & Lyle can get down to the business of making Staley pay — an urgent imperative if gearing is to brought to anything like

bearable levels by the end of next

# MORGAN UK economy continues to grow but at slightly slower rate BY RALPH ATKINS THE BRITISH Many of Britain's leading companies continue to benefit from the strength of the UK economy. You can take advantage of this investment potential through the Morgan Grenfell UK Equity Income Trust. You should remember the price of units, and income from them, may go down as well as up, and that you may not get back the amount you originally invested. You should always take a long-term view of your investment, For further information on the Morgan Grenfell UK Equity Income Trust telephone us on 01-826 0123 or return the coupon below. UK EQUITY INCOME TRUST Find out more on 01-826 0123 To: Morgan Grenfell Unit Trust Managers Limited 46 New Broad Street, London EC2M (UT. III MORGAN **GRENFELL** Please send me details of Morgan Grenfell UK Equity Inco

# SECTION II – COMPANIES AND MARKETS

# FINANCIALTIMES

Tuesday June 7 1988



UK SUGAR REFINER RECOUPS NEARLY HALF OF ACQUISITION COST

# Tate & Lyle sells Staley food subsidiary for \$700m

TATE & LYLE, the UK sugar "We told them what we

The property of the property o

Miso Pale

in the first section of the fi

The Market

the first the factor of the fa

the state of the fa

that this sta

of their state

dien passes

T. (1 100) 125

toren folias veg

West done

בה בר מנו ויי

of that the (red)

0.550

i i vic

0 U.S. 17856

A PART OF THE

and courses:

is de letter of 🖷

" Chromata

· UX MESS

Section Deposits

Takon A. Taun sa<u>nd</u> Tahun Agesta **a**ga

11. 3 4.42

utor.
The disposal was announced yesterday, even before the official completion of Tate's own acquisicompetion of rate's own acquisi-tion which is due later today. The addition of CFS Continental, the second largest US food services group, will increase Sysco's national market share to an esti-mated 8 to 9 per cent. mated 8 to 9 per cent.

refiner, is to recoup nearly half of wanted, and they said 'you're business is distribution to fast-the \$1.48bn it spent to buy Staley on." Mr Neil Shaw, Tate chair-food restaurants. The McDonald's man, said yesterday in Decatur, group, by selling Staley's food to services business for \$700m to Tate plans shortly to return Sysco, the largest US food distribution. Chief they said 'you're business is distribution to fast-food restaurants. The McDonald's hamburger chain currently accounts for 16 per cent of its turnover. Sysco, the largest US food distribution to fast-food restaurants. The McDonald's hamburger chain lines of the surface on "Food restaurants" food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. The McDonald's hamburger chain services business is distribution to fast-food restaurants. years in suburban Chicago.

The disposal will markedly improve the financial benefits of the takeover for Tate, which outset its intention to sell CFS in today will activate the second tranche of its partly paid £208m (\$375m) rights issue of convertible preference shares in London (\$51.27bm) respectively. don, Tate shares closed 20p

was broadly in line with analysts' per cent to about \$6.5bn and reining the year to June 1987, Syscological systems and institutions. It will also cent reported by CFS in its most

One of CFS's main lines of

Staley acquired CFS in 1984 for more than \$350m, although the exact price was not disclosed at the time. Tate declared from the outset its intention to sell CFS in

CFS's revenues of \$1.27bn accounted for 75 per cent of Staley's turnover in the six mated 8 to 9 per cent.

The sale price, considerably more than Tate's conservative estimate of more than \$500m based Sysco will increase its made during the takeover battle, annual revenues by more than 50 only 35 per cent of the total in the year to June 1987, Sysco

dealer manager for the offer. The price is about \$3 a share above last week's market level. Consolidated-Bathurst has planned auction by Morgan Stan-ley, the US investment bank. strengthen Sysco's presence in recent complete financial year. California and the Midwest. Lex, Page 24 two classes of common shares,

the only difference being that one pays dividends in stock and the other in cash.

Generally speaking, Canadian pulp and paper stocks are considered nndervained, mainly because of the threat of an economic slowdown after

**KIO** seeks

10% stake

in Canadian

paper group

THE RUWAIT Investment

Office, one of the world's largest investors, is offering almost C\$200m (US\$163m) for

a 10.3 per cent equity interest in Consolidated-Bathurst, the

big pulp and paper and pack-aging group 40 per cent-con-trolled by Mr Paul Desmarais, the Montreal financier,

through his Power Corpora-

Consolidated-Bathurst owns

the Bridgewater newsprint mill near Liverpool and has joint venture projects for pulp and paper mills in both China and the Soviet Union.

KIO is offering C\$19 a share

for 10.5m common shares for Consolidated-Bathurst, with

Gordon Capital Corporation as

tion of Canada.

the American election. Power Corporation will not tender any of its Consolidated-Bathurst stock under the KiO offer. KiO plans to enter a voting trust agreement with Power for a minimum five years. Both will put their Consolidated-Bathurst shares into

KIO will elect two nominees to the Consolidated-Bathurst board. Power has the right of first refusal on KiO's Consoli-dated-Bathurst stock after five

a nominee company.

By midday on the Toronto Stock Exchange, Class A shares of Consolidated-Bathurst were up C37 at C316 52, adding to last week's C313

# Red Rose romance sealed for £13m BY PHILIP COGGAN IN LONDON But like many a young cou-ple in the early stages of togetherness, Messrs Oyston

MR OWEN Oyston presented Mr Eric Morley with a Red Rose yesterday; Mr Morley gave Mr Oyston Miss World. The corporate romance will be sealed, not with a ring, but more prosaically with shares worth £13.6m (\$24.4m).

An agreed merger between Mr Oyston's Red Rose commer-cial radio company and Mr Morley's Miss World beauty contest group seems, on the case for corporate synergy: a beauty parade is hardly the most natural radio subject.

and Morley were yesterday excited about their future. "We hit it off immediately. said Mr Morley, who will remain chairman of the enlarged company "We estab-

lished a great rapport," said Mr Oyston, who will be chief exec-Mr Oyston said the potential benefits of a link-up were sub-stantial: "Both companies operate in the world of entertain-ment and both are beavily involved in sponsorship."

If the merger is approved by shareholders and the Indepen-dent Broadcasting Association, the radio and television watchdog, the enlarged group will move from the Unlisted Securities Market to the main stock market and change its name.

The vital statistics of the deal are that Miss World is offering three of its shares for every eight in Red Rose, Full acceptance of the offer will involve the issue of 4.38m Miss World shares, which were yes-terday suspended at 310p. Red Rose directors will end up with

30 per cent of the new group. To describe the principals in official Miss World jargon, Mr Oyston is 54, has a goatee beard, collar-length locks and wants to build a substantial leisure group. Mr Eric Morley is 69, has Brylcreemed dark hair, and has already fulfilled Mr Oysion's ambition - he was chairman of Mecca Entertain-

ments until 1978. Yesterday, the company, which is traded on a matched bargain basis, forecast after-tax profits of £900,000 for the year

# Macmillan independence tested by improved \$2bn Bass attack

BY RODERICK ORAM IN NEW YORK

WITH WALL Street expecting company's plan. further rounds in Macmillan's fight to remain independent, shares of the US publisher rose yesterday above the revised take-over offer from Mr Robert Bass, the Texas investor.

The New York-based company, one of the last hig independents, said it would consider later this week Mr Bass's \$73-a-share, \$2bn offer made at the weekend. Macmillan's shares gained \$2 to \$73% by early afternoon.

Mr Bass offered alternatively to restructure Macmillan along the lines proposed by its manage ment last week. His group of investors would pay a special cash dividend, bowever, of \$58 a share against \$52.35 under the

Their main condition is that Information shares in exchange they be allowed to buy shares in for surrendering stock options the restructured group on the and unrealised stock profits in same favourable terms as its the existing company. Analysts have found it hard to

management.
Macmillan proposed splitting itself into two publicly traded companies, Macmillan Publishing and Macmillan Information. Management and employees would own 36 per cent of the former and management about 39 per cent of

Macmillan has yet to unveil full details but it appears that Mr Sold piecemeal, however, the William Reilly, president, and group may be worth closer to \$30 two other senior officers would a share.

receive large blocks of Macmillan

value Macmillan's restructuring plan because, in addition to the cash dividend, sbareholders would receive stock in the new information company and retain their old Macmillan sbares. The the latter. Mr Bass's group offered to pay cash for shares equal to the same stakes.

Mr Bass's original offer last month of \$61 a share while analytical and the same stakes. lysts' estimates run as high as

Officials at Repsol refused to

#### Amax plans poison pill bid defence

By Kenneth Gooding

AMAX, the US natural resources group which last year made its first profit since 1981, has adopted a "poison pill" scheme to help ward off unwanted bids.

The company will implement a stock purchase rights plan which will be triggered only after a third party acquires 20 per cent or more of Amax or announces a tender or exchange offer to

acquire 30 per cent.
Mr Allen Born, president, said
the adoption of the plan was consistent with actions "taken by many other leading US corpora-. It is not in response to any effort to acquire control of

"Rather the plan was adopted in order to ensure that the board would be able to proceed in the best interests of Amax and its shareholders if an unsolicited acquisition is attempted in which sbarebolders would not realise fair value for their shares."

comment on the details of the Among other things each Amax share will carry the right for the bolder to buy one-half of

# Kluge backing for \$1bn fund

MR JOHN WERNER KLUGE, the 74-year-old German immigrant ical Wall Street borrowing who is thought to be America's arrangements could handle \$10bn second richest man, is backing a worth of deals, joins a crowded new \$1bn fund to invest in the field competing for the risky but fashionable Wall Street business incrative husiness of helping of taking companies private in leveraged buyouts.

Mr Kluge, who made his vast fortune largely through taking nies as American Standard, his Metromedia broadcasting Montgomery Ward, AFG and empire private in 1964 and liquidating most of its assets, will be by going deeply into debt to buy one of three general partners out shareholders. Who will run the new firm, which is called Kluge Subotnick Perkowski, 39, who was 15 years with PaineWebber, said: "Sure a jot of deals have been who until yesterday was head of involved only as a friend to maninvestment banking at PaineWeb-ber, the Wall Street broker.

The other two are Mr Stuart Subotnick, bis associate at Metroportunities keep coming up." He said the firm would get who until yesterday was head of involved only as a friend to maninvestment banking at PaineWeb-ber, the Wall Street broker.

ber, the Wall Street broker.

化压力 医氯化铁管 肿瘤 电平均均分分

Yesterday's announcement fol-

lows months of eager speculation on Wall Street about what Mr Kluge, who bought his first radio station in 1946, would do with the spectacular profits from the sale of Metromedia's radio and television stations and other communi-

> \$1.6bn to buy out other share-holders in 1984 and realised \$3bn holders in 1984 and realised \$3bn
> after taxes from the liquidation.
> Mr Kluge, who is thought to be
> the richest American after Mr
> Sam Walton of Wal-Mart Stores,
> recently assumed control of
> Orion Pictures, the Hollywood
> studio, and bought the Ponderosa
> stackburge group

steakhouse group.
Together with Mr Subotnick,
he is putting \$100m into the fund with the remainder coming from institutional investors.

Mr Kluge and his friends paid

#### Repsol pays \$276m for stake in N Sea BY PETER BRUCE IN MADRID

ish oil conglomerate due to be part-privatised early next year, has agreed to pay \$276m for half of Texas Eastern's 20 per cent stake in the hig Beryl field in the

The deal represents the biggest and 100m cubic feet of gas. purchase of a single North Sea asset this decade.

There is also a substantial sibility of upgrading as the

deal was priced in a similar officials at R range to other recent asset sales comment on the in the area, although it was off deal yesterday. the top of the market.

Independent

Analysts in London said the is re-evaluated.

Repsol is acquiring 39m barrels suggested that Texas Eastern's of proved oil reserves in Beryl and 100bn cubic feet of gas.

There is also a substantial possibility of upgrading as the field stake which is up for sale.

Amax share will carry the right for the bolder to buy one-half of an Amax share for \$35 compared with the recent price of about \$20 a share. Foreign Exchange and

# Deutsche Bank. Experience that gets the job done.



It requires a twenty-four hour global capability, a presence in every important foreign exchange center. It calls for fast, competitive and confidential quotes in any of the world's importent currencies. It demands skillful risk management services, the ability to use forwards, options and other tools to hedge client positions. It calls for technique, and sometimes, innovation.

Deutsche Bank is a world leader in foreign exchange, because day in and day out, our experience gets the job done.

For foreign exchange, es well as other investment and commercial benking services, consider using the experience of one of the world's leading banks.

Contact the Deutsche Bank office nearest you.

# Deutsche Bank

Deutsche Bank AG Taunusanlage 12. P.O. Box 100601 6000 Frankfurt am Main 1 Tel · [69] 7150-0

Deutsche Bank AG London Branch 6, Bishopsgate, PO Box 441 Tel. (1) 283 46 00

Deutsche Bank AG New York Branch 9 West 57th Street New York, NY 10019-2799 Tel. (212) 940-8000

Tokyo Brench 12-32, Akasaka, 1-chome, Minato-ku Tokyo 107. Tel. (3) 588-1971

The bonds having been sold, this announcement appears as a matter of record only



# ST ANDREW GOLDFIELDS LTD

Swiss Francs 25,000,000

5 3/4 per cent Convertible Bonds 1988-1995

Issue Price: 100 per cent Convertible into shares of St Andrew Goldfields Ltd.

**Banque Indosuez** 

The Long-Term Credit Bank of Japan (Schweiz) AG Lloyds Bank P.L.C. Alpha Securities AG Banco Exterior (Suiza) S.A. Chase Manhattan Bank (Switzerland) Bank Heusser & Cie AG

The Industrial Bank of Japan (Switzerland) Ltd. Samuel Montagu (Suisse) S.A.

**United Overseas Bank** J. Henry Schroder Bank AG

presso la Banca Nazionale del Lavoro

ECU 125,000,000

Medium Term Facility

**BNL Investment Bank plc** 

Banque Nationale de Paris

The Sanwa Bank, Limited

Co Lead-Managed by

**ASLK-CGER Bank** Banco Central, S.A.

The Mitsubishi Bank, Limited The Tokai Bank, Limited

Managed by BACOB Savings Bank s.c.

Banque Cantonale Vaudoise

Caisse d'Epargne de l'Etat du Grand-Duche de Luxembourg, Banque de l'Etat

Societé Nanceienne Varin-Bernier Banque UCL, Banque Universelle et Commerciale du Luxembourg S.A.

SCOR U.S.

CORPORATION

is now listed on

The New York Stock Exchange

under the symbol

SCOR U.S., through its operating subsidiary. Scor Re. provides treaty and facultative reinsurance to primary insurers. The Company conducts its business throughout the United States and provides reinsurance on a worldwide basis.

For information, contact Pierre D. Croizat, President, SCOR U.S. Corporation, 110 William Street, New York, N.Y. 10038, U.S.A. 212-513-1777.

# INTERNATIONAL COMPANIES AND FINANCE

# RWE tops up its petrol station business

utility, RWE for short, is flex-ing its muscles again now that a period of exceptionally high investment is coming to an

As cash-flow continues at a high level and costs fall, Rheinisch-Westfaelisches Elektrivitaetswerk wants to move more ontside its traditional activities into new, though not

too distant, areas. Hence the keenly followed talks in the last few weeks over RWE's possible purchase of Deutsche Texaco. Last night, RWE confirmed

at a press conference in Essen. its Ruhr bese, that it would pay \$2.12bn for the German subsidiary of the US energy

RWE is already in the oil business through Union Rhein-ische Braunkohle Kraftstoff (UK Wesseling), which has nearly 240 petrol stations.

Bringing these together with the 1,900 outlets of Deutsche

ness, which accounted for nearly DM18bn (\$10.4bn) of its

Andrew Fisher examines the background to the

purchase of Texaco's West German subsidiary

lems of UK Wesseling, which has been going through a diffi-Apart from confirming that talks were under way, both sides have been tight-lipped

For the US parent, under pressure from Mr Carl Icahn, the takeover specialist who is its largest shareholder, the sale of its 99.1 per cent-owned German subsidlary is an important first element in its costly restructuring pro-

Texaco, which has its head-quarters in Hamburg, would be a neat solution to the prob-

For RWE, it represents an opportunity to expand beyond the electricity generating husiDM27.2bn turnover in the last financial year to June 30 1987.

Group net profits last year rose to DM779m from

Analysis recken that RWE will show rising profits in coming years. Tough new environmental regulations have meant that it has had to carry heavy investment hurden in

In the last five years, it has had in spend some DM6.4hn alone on flue gas desulphurisa-tion at coal-fired power stations, which account for much of its electricity generation. Nuclear energy makes up only about a fifth, much less than

the national share of 34 per cent in Germany's electricity. Mr Werner Wanke, head of the securities department at B. Metzler, a Frankfurt private bank, says: "RWE's need to spend huge sums on invest-ment and infrastructural

As RWE has been investing heavily - last year's group capital investments totalled DM4.4bn - it has also been setting aside large sums for depreciation, on which its policy is conservative.

improvements is over, so prof-its will tend to rise."

For the present financial year, about to end, Mr Wanke is forecasting earnings per share of DM20 compared with

ther rise to around DM22 next

Cashflow, at some DM4.7bn annually, is high, enabling RWE to finance its invest-ments itself. In the next five years, including 1987-88, the group expects to spend at least DM16bn, less than it had origi-nally planned.

This is because it has enough electricity generating capacity - electricity sales have been slipping in recent years - and has most of its environmental spending

Using some of its cash to buy into the oil business is seen as a favourable move by

Mr Wanke.
"This is just the right thee to buy oil investments," he believes, especially with a siable dollar, an improved world economic outlook, and energy prices that are likely to firm wither their collarse "again. rather than collapse again. RWE, it is clear, has been thinking along the same lines.

line, which will be operated by

tional, the travel bureau business

formerly operated jointly with Broadly, the group's strategy is to continue to reduce its dependence on container shipping hy expanding land transport inter-

ests, particularly in Europe.

This process is reflected in a

reduction in the proportion of fixed assets represented by ocean shipping, which has fallen from

70 per cent to 50 per cent since 1982. In the same period, the pro-portion of fixed assets repre-

sented by non-shipping transport

has increased from 13 per cent to

33 per cent. Nedlloyd believes this strategy

will allow it in profit both from the fashionable "intermodal"

treatment of shipping as one leg of a door-to-door service, and from opportunities in land trans-

No one knows whether, o

Kevin Brown on a Dutch shipping group under siege from dissident shareholders

# Nedlloyd management seeks calmer waters

the Royal Nedlloyd Group, one of Behind the row over the share Europe's higgest integrated ship- issue lies a more fundamental ping and transport companies.

The cause of the anxiety is the threat posed by Mr Torstein Hagen, the Norwegian "shipping doctor" whose forces inflicted a humiliating defeat on the group's Fi 95m last year, while net profesenior management at a recent its fell from Fi 155m to Fi 72m in 1984. shareholders' meeting. 11
For the momeot, the guns are

silent. But Mr Henk Rootllep, a net loss of Fl 1.01bn for 1987 Wellloyd chairman, is sware that while the preliminary skirmishing is over there may be 4. ing is over, there may be further

ssue of cumulative preferred shares to a small group of institu-The company says the issue and Mr Hagen have brokeo

eign shareholders, to defeat the board at a stormy meeting in February.

Needloyd claimed the Hagen Scandinavian shipping compact shipping shareholders to 120 votes the cach by manipulating blocks of helmsen of Norway, in create a shares, and threatened legal "Eurolines" consortium.

mough support, mainly from for-

bandoned both this threat and second-hand ships, where subthe share issue, effectively admit-ting defeat. The money has been Withdraw from all business raised through a series of subor-sectors except its core activities

AN UNRASY truce hangs over and Fl 33m more than the share the Rotterdam headquarters of issue during the next eight years. dispute about Nedlloyd's strategy

ships and offshore drilling units. This will increase future profits by reducing depreciation charges. The dispute blew up over a in addition, Nedlloyd is forecast. management plan to raise ing a "significant improvement" FI 175m (\$92.5m) through an in operating profits because of better trading conditions in ship ping and road transport. Negotiations between Nedlloyd

would have been cheap and tax down, and the company says it efficient. But Mr Hagen mustered has no intection of holding further talks. But Mr Hagen's demands are still on the table. They are that Nedlloyd should:

However, the company has the sale and purchase market for

1984 85 says it does not have the tributors resources to take over these com-panies, and rules out consortia agreements because of existing a sector in which Nedlloyd once

The suggestion is of greater cant player. value to the Scandinavians than it is in Nedlloyd," says Mr Root-

He is equally dismissive of the suggestion that Nedlloyd should speculats on the second-hand

We do not want to expose our. In the event, the forecast free- proposals.

selves to this. The market may be dom of the skies has taken longer up a little at the moment, but the to arrive than expected, and Nedexperience of shipping companies such as Wah Kowng and the Tung group (both recently Dutch scheduled airline. dinated loans, which Nedlloyd in shipping and land transport. Tung group (both recently says will cost between F1 24m On the first point, Nedlloyd restructured) shows the dan-

The two sides are closer on divestment policy, except that KLM, and retains only a 7.5 per Nedlloyd refuses to sell its cent staks in Holland Internaenergy interests. These consist largely of North Sea exploration and recovery, together with con-tract drilling for third parties. "This has been an attractive market for us over the years, and

although it is not quite as good at the moment, we think it will remain of interest in the long term, especially in north-west Europe," says Mr Rootliep.

He adds that the business cycle of the energy husiness is differ-ent to that of shipping, providing

an element of counter-cyclical halance to the group. Nedloyd has sold a number of

other husinesses recently, includ-ing its stevedoring interests in Flushing, and a chain of car dis-But the biggest strategic with-drawal has been from aviation -

had dreams of becoming a signifi-

The group acquired Nether-lines, a Dutch regional sirine, in 1986, intending in carve out a substantial share of the west European passenger market in advance of impending liberalisa-

He is also aware that the voting limitations on Nedlloyd's shares - which are not unusual among Dutch companies -Dutch scheduled airline.

Nedlloyd has also sold 60 per determined takeover bid.

opposition to the existing man-agement is based on an emotional misunderstanding of its

# Iberia makes record net profit

BERIA, THE Spanish national nary" results were based chiefly three successive years out of loss airline, said yesterday it had on a Ptais. Ibn saving made and would make the airline eligible for quotation on Spanish Pta20.5bn (\$180.2m) last year, a ment, including lower fuel prices, bourses. Some analysts have pre-2,238 per cent improvement on its a much improved occupancy rate dicted a form of flotation this 1966 result, thereby increasing and tariff mix. Operating profits prospects of part of the airline rose 977 per cent to Pta27.6bn. floated part of Endesa, the big being sold off publicly in the near liberia, which has just signed to electricity utility.

Mr Narcis Andreu, Iberia's president, said yesterday that the airline carried 14.1m passengers last year, more than Air France and third in Europe behind British Airways and Lufthansa.

He said the airline's "extraordi-

Stora shows good results

in all divisions

By Robert Taylor, Nordic Correspondent, in Stockholm

STORA OF Sweden, Europe's biggest pulp and paper producer, said that profits (after financial items) increased by just over 19 per cent in the first four months

of the year to SKrl.0bn (\$166.3m),

compared with SKr840m for the same period of 1987.

The company reported continu-

ing good results across its prod-uct divisions, and the full year's

profits are expected to exceed SKr3.lbn, a figure which includes projected results from the acqui-sition of Swedish Match in

Stora Cell, the pulp marketing division, showed a strong increase in its operating profit, which went up from SKr210m to SKr273m, while invoiced sales rose from SKr577m to SKr515m.

There was also an improvement

There was also an improvement in the group's timber division, while Stora also reported that its

seems likely, however. could be inserte Profits this year would mean dar before then.

and tariff mix. Operating profits rose 977 per cent to Pta27.6bn.

Iberia, which has just signed to buy 23 aircraft from the European Airbus consortium and 16 MD-87s from McDonnell Douglas, the US manufacturer, has not yet been formally identified for part privatisation by Madrid's Socialist Government. Such a step seems likely, however.

Because of the sheer volume of shares the bourses would have to absorb, Madrid has been forced to delay slightly a part flotation of Repsol, its oil group, until the first quarter of next year. It seems highly unlikely that Iberia could be inserted into its calendary of the sheer volume of shares the bourses would have to absorb, Madrid has been forced to delay slightly a part flotated part of Endesa, the big electricity utility.

# Kugelfischer cuts dividend

by half after income slips BY OUR FINANCIAL STAFF

KUGELFISCHER Georg Schaefer. the West German engineering group which went public last year, plans to cut its dividend to DM5 a share from the DM10 paid

Mr Fritz Schaefer, managing board chairman, said the divi-dend reduction followed a steep drop in profits for last year. The company had been hit hard by

currency factors, he said.
Mr Schaefer said Kugelfischer
would pay a dividend of DM6 on its preference shares. In 1986 these shares had been entitled to a dividend for half the year and received a total of DM5.50.

Thomson regroups world consumer electronics side

BY PAUL BETTS IN PARIS

tric.RCA consumer electronic tubes.
assets acquired by Thomson for more than \$600m last year, will be fully controlled by the French appoint

in the group's timber division, while Stora also reported that its operating profits in Billerud had risen from SKr175m to SKr209m.

However, the company revealed that there had been an operating profit fall in its papyrus division, based on a rival company it acquired early last. company it acquired early last will employ 50,000 people.
year. The consumer electronics

THOMSON, THE French state-controlled electronics group, is holding will be grouped into four regrouping its French and inter-divisions including televisions. operations into a new bolding called Thomson Consumer Electronics.

The subsidiary, which will also incorporate the US General Electronics due to the colour television tubes, video and audio. The subsidiary expects to sell more than 7m television sets this year. It also expects to produce about 8m colour television tubes.

but not the ordinary shares.

Mr Pierre Garcin, the head of Thomson Grand Public, will be appointed chief executive of the

The reorganisation of Thomson's consumer electronics busi-nesses follows the recent announcement of a reorganisatico of Thomson CSF, the French group's defence and professional





E

SS

el some Bilita de historia de la come Bilita de la come Bilita de la come de

of all a spending to the control of the control of

And of the con

interacement is

if itspread to

will be operate

in Heritand has aver learned has

secured beauty

to tespice in the

the transport

the is missia.

il the biobase

hin he felat

tipe beilef &

formal posets to

of the process

in the contract the tea

melde teleme

a gribakas g gribakas

Actes the marries

ी कुन्य संबंधिक विकासिक स्वास्त्र

that micht the museum haces on ac-

south standing. 

- n Ne⊈ The sampage 1,700 y postonie ba

The second secon

. g. 54

ng pagist

T. Harris

introlata in Inde 📽

# Bond denies collusion over Earnings purchase of Bell stakes

BY CHRIS SHERWELL IN SYDNEY

MR ALAN BOND'S Bond Corporation was not party to the lian State Government Insurance Commission (SGIC) yesterday reiterated that they had not college indeed last April when they purchased separate 19.9 per cent stake.

But they insisted that Bond Bell Group for the SGIC.

The NCSC said Mr Bond told Mr Rowe that the SGIC had retained him to advise it on the acquisition of Bell Group shares, and it was Mr Bond who chased separate 19.9 per cent stake.

Court's Bell Group for the SGIC.

The NCSC said Mr Bond told with the scale of the somewhat retained him to advise it on the acquisition of Bell Group shares, and it was Mr Bond who approved giving Mr Rowe Bond Corporation's material on Bell Group. MR ALAN BOND'S Bond Corpo-

Court's Bell Croup.

For its part, the SGIC reiter Group to assist him in advising the SGIC.

They were each responding to ated it had acted independently the SGIC.

Questions arising from investigation in acquiring its Bell holding. It Bond Corporation officials tions of the two deals conducted hy the National Companies and Securities Commission (NCSC), details of which were published

yesterday.

Australia's corporate watching said it had reached a "tentative view" that the two parties might have had some understanding over future management of Bell Green.

Mr Bond and other executives yesterday acknowledged that details of Bond Corporation's financial analysis were made available to the SGIC before it made any purchase.

But they insisted that Bond Bell Group for the SGIC.

was strongly defended by Mr insisted again yesterday that Peter Dowding, the Western Australian Labor Party state pre- and pointed out that the NCSC. mier, who has come under pres which has now suspended its sure from the state's Liheral investigation, had not formed a

Both purchasers were anxious to dispel the impression created by the NCSC that they were in poration said there would be no have had some understanding over future management of Bell over future management of Bell on the NCSC, Bond Corporation and the SCHC were clearly in contact and "appraised of the status of the status of the offer being made by the other the funds. It acknowledged the other and also the status of the negotiations with the other."

On the stock market, Bond

In particular, the securities watchdog drew attention to the role played by Mr Trevor Rowe, the head of Salomon Brothers in Australia. It was Mr Rowe who Bell Resources lost 5 cents to

#### double at Israel Corporation

By Andrew Whitiey

THE ISRAEL Corporation, the investment holding company controlled by Mr Shaul Eisenberg, the multi-millionaire, has reported a near doubling of profits in 1967 to Shk30.5m (\$19.2m) from Shk16.2m. Much of the improvement is

attributable to the strong resurgence of Zim Israel Navi-gation Company, the national shipping line, in which the snipping fine, in which the Israel Corporation has a dominant 45 per cent stake. The company also has interests in hotels, high technology industry and the government-controlled oil refineries.

Last year's after-tax profit figure was the hast result for

figure was the best result for

figure was the best result for more than five years, and came on revenues up from just Shk2am to Shk151.im.

The company noted that its performance had heen adversely affected by a running dispute between the oil active of the state of the refineries and Israel's three fuel companies. Nearly \$11m in disputed income from its 26 per cent holding in the refiner-ies was therefore not shown on

its profit statement. Two thirds of Israel Corpora-tion's capital, or Shk115.9m, is tied up in the oil refineries, at the heart of Energy Ministry attempts to deregulate the domestic fuel industry.

• Mr Efraim Arazi, the chairman and chief executive of Sci-tex, a world leader in computcex, a worm lesser in computerised imaging equipment for the printing and publishing industry, has handed over con-trol of the company he founded two decades ago.

Mr Arie Rosenfeld, who has

been vice-president and chief operating officer since May 1987, takes over at the com-Scitex recently reported net

profit of \$2.5m on revenues of \$43.4m for the first quarter of 1988, its third consecutive quarterly profit. The turnround, after several years of losses, prompted Mr Arazi to step down at this time, although he will stay on as the

Bahrain banks see few hopes met

shore banks at the 1985 year-end. But as bankers themselves

tors like management quality.

Arab Banking Corporation
(ABC) and Gulf International

hopes." It began in a emphoric seeking top quality management. pany. Its \$40m-odd Latin Amerimod, he says, and then ended "in despair."

Several other Bahrain offshore

or unnummed tional hurden on institutions cootrolled Kuwait Projects Com-Banking Corporation last year. Hongkong Bank retains an OBU in Bahrain.

Banking Corporation last year. Hongkong Bank retains an OBU in Bahrain.

Barklays, according to Mr Peter overstated. Mr Death and by the discount.

Several other Bahrain offshore overstated. Mr Ibrahim Abdulbanks would have been entitled Karim, the Finance Minister, estibanks would have been entitied to express the same feeling.

Mr al-Ateeqi is a figure of considerable authority in his own annually to the economy through country – Kuwait – as well as the operations, rents and trainabroad; a former Finance and Oil Minister and now adviser to the Minister and now adviser to the Amir, Kuwait's ruler.

Amir, Kuwait's ruler.

Annually to the economy through the operations, rents and training. This is equivalent to 40 per cent of estimated government revenue for 1988.

He is also chairman of Arabian
Investment Banking Corporation
Investment Banking Banking a key will as its pride, and the potential threat to Banking jobs is a

leather, perfume and fashion house. Although investcorp has demonstrated what can be achieved with the combination of a solid capital base, quality management and a well-defined sense to 57 offshore hanks had of purpose, it could be argued increased to \$63.5ho at the end of that few others among Bahrain's last year, compared with \$55.7bn financial institutions can from 68 offshore banks at the end of 1896 and \$55.8bn from 21 offs. claim the consistent presence of of 1986 and \$56.8bp from 74 offthose three factors.

Of the 97 banks, offshore banking units (OBUs) - both locally point out, it is not foreign assets and foreign incorporated - that count so much as profitabilaccount for 57, while 19 are ity, as well off-balance-sheet fac-investment banks and another 19 tors like management quality. are local and foreign commercial banks. There are also two specialised banks.

dised banks.

Shareholder confidence has fered last year from their Latin been eroded, first by Saudi and Gulf regional - or, in some Gulf regional — or, in some visions of \$375m and \$220m cases, Latin American — bad respectively. ABC diluted its debts. At the same time, Bah-shareholders equity by 16 per rain-hased treasury operations cent rather than declare a net have been largely rendered loss GIB took its provisions from have been largely rendered loss GIB took its provisions from superfluous by the 24-hour world- its free reserves - undistributed wide trading practice of interna-tional banks.

ABC, owned by the govern

Bahrain hanks also followed in some measure the move in the Libya, has spread its assets sig-US and Europe from commercial nificantly through acquisitions lending to securitisation, the huz-zword encompassing activities holds a majority stake in Banco like equity financing, advisory Atlantica, and it also has a pres-and brokerage services find and brokerage services, fund ence in West Germany, Holland, management, arhitraging, and Hong Kong and Thailand.

Arab Latin American Bank

note issuance facilities.

Arah Latin American Bank
But last October's world stock (Arlabank) and United Gulf Bank (UGB) are two other offshore market collapse cast donht on this strategy too, so that offshore institutions which have been hit banks are left with high costs, a hy exposure in Latin America. management which has the Arlabank has raised its capital,

Investcorp's success is not matched by many others, writes Robin Allen



Ibrahim Abdul-Karim: Bahrain's Finance Minister

last year after provisions. The bank resolved to begin 1988 with a clean loan portfolio," Mr al-A-teeqi says in his report.

For the last two years it has American exposure, making probeen restructuring its operations, expanding in foreign exchange dealings, insurance and other related financial services, includbro of London.

While others are struggling, ABC, owned by the govern-ments of Abu Dhahi, Kuwait and Investcorp is one Arab offshore profits rise consistently – to opportunities. Only three out of \$28.8m last year compared with \$15m in 1986. Its presence in Babbanks reported profits last year. Gnif shareholders and several savings and coal deposits - was thousand Bahraini individuals much higher by the end of last though its strategy - medium-term buyouts and flotations in property, industrial and con-sumer goods ventures - takes it get last January has given local

IN A REMARKABLY frank statement to shareholders in the 1987 cessors, and short track records so that the bank is now more
annual report, Mr Abdul Rahman at a time when the challenge than 70 per cent owned by Arab
Salem al-Ateeqi, the chairman of from internarional banks puts
Bahrain Middle East Bank, one of irrther pressure on them.

Bahrain's perceived proximity
Tated offshore banks, describes to the Gulf War has put an additional horden on institutions corrolled Kuwait Projects Comhores" It bears in a symboric seeking to mainty transporters.

Bahrain Middle East Bank Watford, the new Dubal-based regional head, is continuing with its Bahrain OBU "mainly for recovery of debts in the region." Operations for the Guif, excluding the United Arah Emirates, will be directed from London and Zurich. This trend is likely to continue among Western international banks.

But If Bahrain has lost Its appeal for some banks, which no longer see its proximity to Saudi Arabia as attractive, it is the opposite for Japanese investment houses, which are aggressively marketing yen-denominated secu-rities. They have identified Bahrain as the most advantageous Middle East base from which to finance Japanese growth from Arab capital exporters.

And once the Japanese corpo rate mind was made up, they came to Bahrain in droves; a total of 16 arrived in 1979-81 and six more between 1982-84. They now maintain 21 of the 57 representative offices and five - soon to be six - of the 18 investment hanks. One of the Japanese groups, Okasan International (Middle East), is 11.25 per cent owned by Investcorp.

Nikko Securities is expected to be the sixth Japanese Investment bank when it opens later this year, following in the fcotsteps of ing an association with J.O. Ham. Nomura, Daiwa and Yamaichi to complete the presence of the Big Four brokerage houses.

The purely local market offers institution which has seen its both fewer pitfalls and fewer rain is due to its 335 founding Liquidity, however - mainly who are also sbareholders, even year, rising by nearly 10 per cent to the US and western Europe. commercial banks more confi-Part of its top management is dence than they have had at any invidious job of sorting out deci- though of the 16 Latin American relocating to London, but its time for the last two years.

#### Saudi shipping group in black

NATIONAL SHIPPING Company of Sandi Arabia (NSCSA), the kingdom's maritime flag carrier, has returned to the black after three years in which cumulative losses reached SR70.5m (\$18.8m).

It reported net profits of SR2.8m for 1987, a turnround from losses the previous year of SR9.2m. This year has started even better, with the company making SR7.3m in the first three

NSCSA is 29 per cent owned by the Sandi Government. The rest of the shares are publicly traded.

tonnes from 1.5m tonnes, NSCSA has a fleet of six roll-on roll-off almost total withdrawal from gold and silver at Lebong Tandai, vessels and two chemical tank-natural resources activities in Sumatra, and has 11 exploration ers. It began operations in 1981. Australia and Indonesia and its other prospects in Indonesia.

#### Sime Darby sees big rise

SIME DARBY, the Malaysian based Harrisons and Crossfield conglomerate, is projecting a 50 trading group from Permodalar per cent increase in group pre-tax Nasional (PNB), the Malaysian

profit for the year to June, at 270m ringgit (US\$104.5m), compared with 181.8m ringgit, writes Wong Sulong in Kuala Lumpur. The forecast is contained in a would represent slightly more circular to shareholders seeking than 10.5 per cent of Sime's approval for the purchase of a 7.4 enlarged paid-np capital of per cent stake in the London- 1035bn shares.

conclusive view or levelled any

#### **CSR** disposal to Shell unit

industrial groups, has agreed to group. CSR says the disposals sell its gold mining and exploration interests in Indonesia to Bil- (US\$100.9m). Last year, revenues rose 24.4 liton, part of the Royal Dutch/ per cent to SR433.8m as volumes Shell group, writes Kenneth carried rose to just under 2m Gooding, Mining Correspondent.

This will complete CSR's PT Lusang Mining which mine

CSR, one of Australia's largest transformation into an industria

In the latest deal, Billiton i buying a 70 per cent interest in

All of these securities having been sold, this advertisement appears as a matter of record only.

\$100,000,000



# Sumitomo Bank Capital Markets, Inc.

91/4% Guaranteed Notes due June 1, 1993

Guaranteed as to Payment of Principal and Interest by The Sumitomo Bank, Limited **New York Branch** 

Goldman, Sachs & Co.

Bear, Stearns & Co. Inc. Lazard Frères & Co. Salomon Brothers Inc

**The First Boston Corporation** 

Daiwa Securities America Inc.

Morgan Stanley & Co.

Merrill Lynch Capital Markets

Shearson Lehman Hutton Inc.

Notice of Early Redemption Teollisuuden Voima Oy U.S. \$100,000,000

Floating Rate Retractable Notes Due 2004 Notice is hereby given that pursuant to Condition S(s) of the Notes, Teollisuuden Voima Oy will redeem all of the Notes at 100% of their principal amount on the next interest payment dare, 11th July 1988,

when interest on the Notes will cease to accrue. Receivment of principal will be made upon presentation and surrender of the Notes, with all unmatured Coupons attached, at the offices of any one of the Paying Agents listed below.

Manufacturers Hanover Limited Manufacturers Hanover Bank Luxembourg, S.A. 14 Boulevard F.D. Roosevelt

Manufacturers Hanover Trust Manufacturers Hanover Trust Company 600 5th Avenue

Company Stockerstrasse 33

New York, New York 10022 Accrued interest due 11th July, 1988 will be paid in the normal manner against presentation of Coupon No. 17.

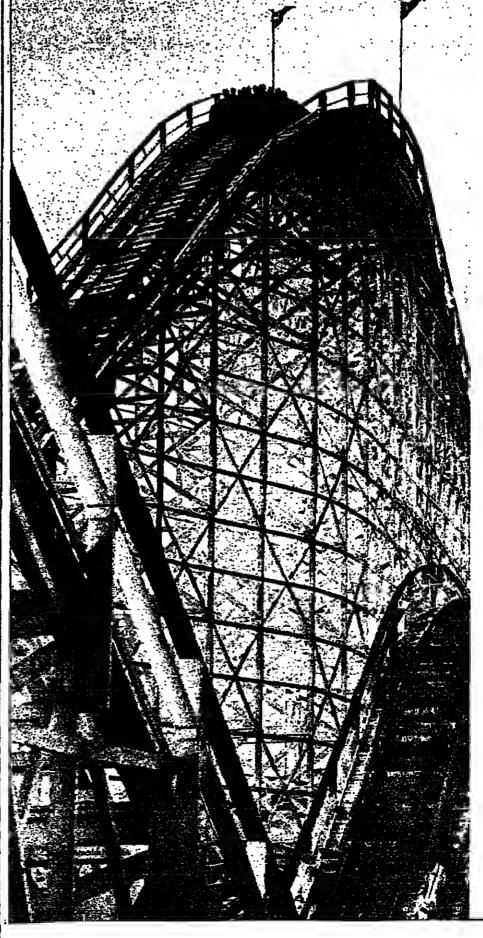
Manufacturers Hanover Limited
Fiscal and Paying Agent
(A member of The Securities Association)



US \$300,000,000 Floating Rate Notes due 1992

given that for the six months Interest Period from 7th June 1988 to 7th December 1988 the Notes will carry an interest rate of 8 1s, per cent. per annum. The relevant Interest Payment Date will be 7th December 1988 and the Coupon Amount per USS 50,000 will be USS 2,080 · 99 and per USS 250,000 will be USS 10,404 · 95.

Reference Agent Bank of Tokyo International Limited



Performance You Can Count On In A Market You Cant.

In today's fast-moving foreign exchange market. you rarely have the luxury of time to explore all of your oprions before you make your move.

That's why Bank of Americas support is especially valuable to your company.

We combine a global perspective with up-to-theminute market insights to help you shape your strategy.

Our high trading volume enables us to deliver quick, compensive quotes. In any tradable currency, major or minor. We're innovative in

applying swaps and options to create flexible hedges. And we can execute

transacrions quickly and efficiently through our 24-hour global trading network.

Get a better grip on the market's ups and downs. Talk to a Bank of America foreign exchange advisor.

London New York Toronto Tokyo Singapore

(212) 503-8130 (416) 365-1085 San Francisco (415) 622-8545 Los Angeles (213) 228-2405 (81) 3-587-3001 (65) 530-6640 (61) 2-235-0933

(01) 236-9861

Barry Riley on international ambitions at a Swedish insurance group

# Skandia sets out a life policy

SKANDIA INTERNATIONAL, the Swedish-haced insurance pensions will be the major prodgroup so far mainly involved in ucts, possibly supplemented by reinsurance, is hidding to become mortgages, esset management a significant international force and financial planning cer-in the life assurance, pensions vices. In Continental Europe

in the life assurance, pensions and savings husiness.

Building on the base of its UK unit-linked 5ubsidiary, Skandia Life, launched in 1979, it is about to open a start-up life husiness in the US called Skandia Life America Corporation (Slam), and is completing what it describes as a master plan to exploit the opening of the internal market for financial services throughout the

But Skandia rejects the idea of acquiring existing life and pensions companies. Mr Hans Dalborg, Skandia's managing director, claims that other groups are paying far too much. "I can't have become used to." understand what type of calculator they are using to get the right return on equity," he says. Skandia's strategy is built, he

says, on the assumption that there is a market of fairly wealthy people in the UK, hut also in Europe and the US, for which the social security system will not be enough to maintain their standard of living when they grow older.

In 1985 from the foreign operations of its former parent, Skandia.

The master plan for 1992 savings plans will be treated as securities for regulatory purnoves marketing the same range of products throughout the EC. There will probably be some they grow older.

Unlike many life companies

they grow older.
People are ageing, as successive generations become smaller. According to Mr Jan Carendi, Mr Dalhorg observes. "If you head of the group's international have a pay-as-you-go system of life operations, the philosophy is financing social security this is to follow the np-market individ-not going to curvive. People are ual and his needs. "We offer few

lapsed in 1986, cutting its foreign income by 40 per cent, Algeria started to finance imports of

When the price of crude oil col- hilateral sources.

financial services throughout the European Community in 1992.

But Should be serviced area, but he thinks the

Skandia International does not operate just in Sweden, having heen constituted independently

increasingly worried about out-living their income." products, but they are very flexi-hle and with a lot of options."

eign deht. Prospects are good atile short-term credit from rian banks, while a further \$200m that it will continue to avoid banks would be shifted to more will be made available in a co-fin-such an eventuality this year.



Hans Dalborg: a tribute to British inventiveness

The group does not use its own salesmen or tied outlets, but is committed to market its products through independent intermedi-aries. These can be insurance

Skandia International contracts out its fund management requirements, which Mr Carendi cays creates multiple options for the client. Instead the group focuses in-house on systems research and development. "I tend to look at the client of the client life companies these days as political climate, but at least we administrative factories, where have something to huild on."

Algeria may again avoid debt rescheduling

ALGERIA HAS for several years credit lines to finance such from Japan's Exim Bank for the are estimated to have lent Alge-

confounded predictions that it imports. The reason was twofold: six months to September 1. This rian borrowers about some startive total is made up of \$200m-300m in far this year. That figure should prices into rescheduling its for and dependence on relatively volume deht. Prospects are good at the short-term credit from rian banks, while a further \$200m of next summer.

Algerian bankers last year succeeded in securing FFr3hn que d'Algeria, the country's central bank did not hedge its non-

started to finance imports of (\$514.5m) worth of three-year trail bank did not hedge its honconsumer goods — which it previously paid for with cash — with
12-18 months credit from commercial banks.

By last year, Algerian bankers
were seeking official export

(\$514.5m) worth of three-year trail bank did not hedge its honcultural is under discussion.

Algeria is also trying to refinance some of the money it borrowed short-term with commersixth largest customer of Japan's

Exim Bank.

More recently they secured commitments of about \$500m

For their part, Japanese banks about Third World lending.

quality products should go through at very low expense. The immediate otep is the launch of Siam. It is costing between \$35m and \$40m to establish this American operation nationwide, with all the compli-cations of the requirements to

gain approval in every state. The target is to sell the first plan hy July 1.

The products involved are called single premium variable annuities, with maturities up to the verse simed at neonle saving 10 years, aimed at people saving for retirement.
We see the ageing of America

as a tremendous opportunity for us, oays Mr Carendi "Bnt whereas we started out thinking that our prime client was in his fortieo, he is rather in his fifties. Hence the relatively ohort terms of the savings plans. But Skandia will start with the

disadvantage that it is just about completely unknown in this mar-ket, where it will be operating through the security distribution chain, although it has a substan-tial US general insurance business. The question is whether it will be able to make effective use of experience gained in Europe.

Mr Dalborg declares: "A com-mon philosophy in the group is the transfer of skills. Some of our ideas and competence in the UK can be used elsewhere, particu-

The World Bank for its part

has committed about \$400m to

various projects in Algeria in

1988. One loan of \$150m, a sec-toral restructuring loan for agri-cultural is under discussion.

The crash was not enough to cause companies any signifi-cant losses. The combined balance of financial assets beld by

ous year, and so most of the leading zo:tech operators recorded declines in their prof-

its from financial investments. The non-operating profits of Toyota Motor, which topped the league table of courch operators for the eighth con-secutive year, fell 5.9 per cent to Y149.6bn. Matsushita Ricc-tric Industrial, the leading consumer and industrial electronics group, saw its zaitech profits fall 5.4 per cent.

#### Japanese moderate treasury operations

By lan Rodger in Tokyn

JAPANESE industrial compa-nies appear to be moderating their treasury operations since last October's worldwide stock market crash, according to the Tokyo-based Wako Research Institute.

Wako has just published its annual study of companies' profits from investment of surplus funds. Until October, many Japanese companies were investing their cash our-pluses so aggressively in financial markets — 8 practice that came to be known as zaitech, or financial engineering that they were making more money on money than from producing cars or television

| Company      | investment<br>proint (Ybn) | Change<br>(%) |
|--------------|----------------------------|---------------|
| Toyota       | 149.6                      | -6            |
| Matsushita   | 109.2                      | -5            |
| Nissan       | 89.4                       | ~30           |
| Sharp        | 28                         | -9            |
| Sony         | 27.2                       | -30           |
| Honda*       | 22.7                       | +705          |
| Sanyo        | 21.5                       | +20           |
| M'bishl Elec | 20.8                       | -55           |
| Chiyoda      | 20.5                       | +18           |
| Isuzu        | 16.4                       | t             |

the 993 companies surveyed by Wako grew 37.9 per cent to Y13,093.2bn (\$104hn) at the end of the fiscal year to March. However, this growth rate was smaller than in the previ-

# Dealers regain appetite for Canadian dollar issues

BY DOMINIQUE JACKSON

marginally firmer across the board in the wake of Friday's US Treasury bond raily. However, prices later eased in line with the softer opening in New York. Trading was subdued, with attention focused on US producer price data for May, due for release on Friday.

A half percentage point rise in UK base lending rates to 8½ per cent lent support to the gilt-edged market although gains were limited in continued low volumes. The Eurosterling market was also quiet although dealers detected some huying in maturi-ties of five years and longer. The weaker Australian dollar continued to undermine senti-

ment in the Euro-Australian dollar sector although most prices bounced back later in the day from lower opening levels. Syndi-cate teams meanwhile detected renewed appetite for Canadian dollars following last week's respite in issuance.

Wood Gundy brought the Prov-ince of Manitoba to the market with 8 C\$150m 10-year deal which has a novel put option after four years. The issue carries a 9% per cent coupon and is priced at 101.

The lead manager said the deal was trading within fees and was expected to see steady demand. Syndicate managers at houses not involved in the deal said the issues hy Canadian provinces saw good demand as many inves- The deal matures in 2018 but is tors considered them to carry a expected to have an average life quesi-government guarantee. of 7% years. It pays a margin of Manitoba's rare appearances as borrower would add to its attrac-

The other popular Canadian dollar deal of the day was a C\$100m issue launched later in the day by RBC Dominion Securi-Finance led a \$10m five-year deal

tor were not looking especially attractive, a CS100m deal for Ford Credit Canada was understood to have been swapped. The five-year

#### INTERNATIONAL BONDS

10% per cent deal at 101% carries the guarantee of Ford Motor

Deutsche Bank Capital Markets was lead manager of the issue, which also traded inside fees. Dealers said the terms of the issue appeared tight but accept able when compared with several Ford reals outstanding in the market. The frequency of the borrower's entry into the market this year could also slow demand, dealers said, although the lead manager's otrong retail network was expected to ensure place-

Crédit Lyonnais issued a C\$75m three-year deal at 10% per cent and 101%, led by Bankers Trust. Despite its attractive short maturity, the issue was also deemed a little on the tight side hut was quoted hid at a discount of 1.35, still within total 1% fees. J.P. Morgan led a £200m mort-gage-backed floating rate note for

MAES Funding No 1, a special purpose funding vehicle for the UK retail mortgage arm of Cana-dian Imperial Bank of Commerce. 32 basis points over London inter-bank offered rate for the first 10 years and 50 basis points thereaf-

THE EUROBOND market started the week with a batch of new issues — four of them in Canadian dollars — hut with few fresh factors emerging to influence secondary trading.

Eurodollar bond prices opened marginally firmer across the board in the wake of Friday's US

novel two-tranche total £190m deal with equity warrants for its parent Nikko Securities. The first tranche has a five-year life and its coupon is indicated at 4½ per cent. The second tranche has a six-year maturity and a 5½ per cent indicated coupon. Warrants are both tranches are fully functions.

on both tranches are fully fungi-Nikko also led a Ecurum issue for Crédit Poncier de France, which carries a 7% per cent coupon and is priced at 101". The deal is fungible with outstanding CFF deal which also matures in 1994. Both have a French Govern-

ment guarantee.
In West Germany, prices of domestic issues rose by as much as % point at the longer end of the morkst. Deslers were surprised by the scalc of the improvement which they attri-huted to Friday's New York rally

and to short covering.

In Euro D-Marks, some supranational deals gained up to a full point aithough average rises were 4 to 5 point. Volume was generally higher than seen last

CSFB-Effactenbank led a DM200m 10-year issue for Farming Finance, a vehicle of Banca Nazionale dell'Agricoltura, the italian farmers' bank. The cou-pon is 6% per cent and the price

Prices in Switzerland finished the day narrowly mixed in rea-sonable volume. A SFr150m issue for Oppland Energiverktrading for the first time closed at 97% compared with a 101% issue price. Union Bank of Switzerland the day by RBC Dominion Securi-ties for Royal Bank of Canada, for Fujl Bank Luxembourg, guar-the City of Kobe today.

FT GUIDE TO WORLD CURRENCIES

The yen-denominated loans

|   |                    |                                  |   |  | 4. 4.4.           |   |                                | 4. 200.    |
|---|--------------------|----------------------------------|---|--|-------------------|---|--------------------------------|------------|
| ghanistan (Alghani) 99,25<br>bania (Leki 10,1011<br>geria l0,1nar) 10,1345  | 0.00<br>0.6<br>0.6 | 0.00 0<br>0.2 0<br>0.2 0         | Greenland (Danish Krone) 11.7975<br>Grenada (E Carr S) 4.87<br>Goadaloape (Local Fr) 10.4525<br>Gam (US S) 1.8025   | 0.5 0.8<br>0.7 0.5<br>0.8 0.3<br>0 0.5               | 0                 | Peru Until 59.47d<br>78.45e<br>81.091<br>138.77n  | 0.9 02<br>0.5 0.3<br>0.9 02    | 000        |
| (Sp Pesetal 204.64  | 0.8<br>0.5         | 0.3<br>0.1                       | Gustemala (Quetzal) 1.8025  | 0 0.5  | 0.5               | Philippines (Pesa) 36 00  | 0.9 06                         | 0          |
| gola (Kwanza) 56.31<br>tigua (E Carr 5) 4.87  | 0.2                | 0.1 0                            | 4.6205a<br>Gailnea (Fr) 541.65  | 0.5 0.4<br>0.4 0.609<br>0.00 0.1                     | 0                 | Pitcairn is (£ Sterling) 1.00 (NZ S) 2.6000   | 0.5 0.3<br>0.4 0.5             | 0.3        |
| rentina (Austral) 13 5525   | 0.5<br>0.7         | 0.3<br>0.00 0.00                 | Guipen-Bissan (Pess) 1173.58<br>Guyana (Guyanese S) 16.2072   | 0.00 0.1   | 8                 | Poland (Zloty) 797.92<br>Portugal (Escudo) 253.59<br>Puerto Rico (US S) 1.8025                            | 0.6 0.8<br>0.6 0.9             | 0          |
| tha (From) 3 2318<br>stralla (Aus 5) 2 2735<br>stria (Schilling) 21 78  | 0.2<br>0.00<br>0.6 | 0.00                             |   | 0.000 0.9  | 0                 | Puerta Rica (US \$) 1.8025  | ē 0.5                          | ŏ.5        |
| ires (Port Escudo) 253 59   | 0.6                | 0.9 0                            | Halti (Goude) 9,0275<br>Horduras (Lempira) 3,6037<br>Horig Kong (HK S) 14,0925<br>Hungary (Forlet) 87,4505  | 0.8 0.5  | 0.1               | Qatar (Riyal) 6.5590  | 0.6 0.1                        | 0.1        |
| hamas (Bahama S) 1 8025<br>hrain (Oinar) 0 6790   | 0 3                | 0.5 0.5<br>0.2 0.2               |   | 0.5 0.2  | 0                 | Reserviors is, de la (F/Fe) 10.4625<br>Romania (Leu) 14.78)   | 0.8 0.3<br>0.1 0.7             | 8          |
| earit is (Sp Peseta) 204 64<br>igladesh (Taka) 55 00  | 0.5                | 0.1                              | Iceland (Icelandic Kross) 79.20<br>India (Icelan Ruper) 24.25   | 0.9 0.5<br>0.4 0.8                                   | 0                 | Recanda (Fr) 139.39   | 0.3 0.00                       | ŏ          |
| bados (Barb S) 3.6314   | 0.00               | 0.1 0.1                          | Indosetia (Ruplah) 3009.36  | 15 03  | Ĭ                 | St Christopher (E Carr S) 4.87<br>St Helena (E) 1.00  | 0.7 0.5<br>0.5 0.3             | 0.3        |
| glum 18e(g Fr) 64.70c<br>65 05g   | 0.8                | 0.00                             | iraq (fraqi Disar) 0.5588<br>irish Rep (Punt) 1.1559<br>israel (Shekel) 2.86  | 0.3 0.1<br>0.6 0.3<br>0.5 0.9<br>1.9 0.6<br>0.2 0.00 | 0.1               | St Heima (E) 1.00<br>St Locia (E Carr 5) 4 87<br>St Pierre (French Fr) 10.4625                            | 05 03<br>07 05<br>08 03        | õ          |
| lze (8 S) 3 6110<br>lin (CFA Fr) 523 13   | 0.000              | 0.1 0.1                          | israel (Shekel) 2,86<br>Italy (Lira) 2301.75<br>Ivory Coast (CFA Fr) 523.13   | 0.5 0.9<br>1.9 0.6                                   | 0                 | St Vincent Œ Carr SD 4.87<br>San Marigo Otalian Lina 2301.75  | 0.7 0.5<br>1.9 0.6             | ě          |
| meda (Remedian S) 1 8025  | 84                 | 0.5                              |   | 0.2 0.00   | ō                 | San Torne (Dahes) 132.75  | 0.6 0.8<br>0.7 0.1             | 0.1        |
| itan (Ngultrum) 24-25<br>ivia (Bollviano) 4-2068<br>swana iPuin) 3-2325   | 0.3                | 0.5<br>0.00 0.00                 | Jamaica Clamaican \$) 9.7243<br>Japan (Yes) 227.25  | 0.3 0.1  | 0                 | Saudi Arabia (Risa) 6,7585<br>Seregal (CFA Fr) 523,13<br>Serencies (Rupeo) 9,38                           | 0.2 0.00                       | ŏ.         |
| ell (Cresado) 297 08<br>Lish Virgin Is (U.5.5) 1,0025   | 0.8                | 0.9                              | Jordan (Jordanian Olean) 0.6455   | 0.3 0.2  | ŏ.2               | Sierra Leone (Leone) 51.20  | 0.4 0.5<br>0.00 0.1            | Ŏ.         |
| nei   | 0.00<br>0.8<br>0.2 | 0.1 0.1<br>0.4 0.4               | Kamputhea (Riel) 180.55<br>Kenya (Kenya Shiffing) 31.23   | 0.1 0.3  | 8                 | Singapore (\$3 3.6478<br>Solemen is (\$7 3.6868<br>Somali Rep (Shilling) 180.55                           | 0.00 0.1                       | 0.I        |
| kino Faso (CFA Fr) 523 13<br>ma (Kyat) 11 5699<br>undi (Burendi Fr) 252 50  | 0.4                | 0.00 0<br>0.7 0                  | Kenya (Kenya Shiffing) 31.23<br>Kiribati (Australian 5) 2.2735<br>Korea North (Won) 1.6972<br>Korea South (Won) 1315.23   | 0.3 0.00<br>0.2 0.7<br>0.9 0.5                       | 0.5               | South Africa (Rand) 4 0290c<br>5 3230c  | 0.2 0.3                        | 0.3        |
|   | 0.00               | 0.5 0                            | Korea South (Won) 1315.23<br>Kunrait, (Kurraiti Olear) 0.49765  | 0.9 0.5<br>0.6 0.9<br>0.2 0.1                        | 0.1               | Sonin (Peseus) 204.64   | 0.9 0.7                        | 0          |
| neroon (CFA Fr) 523.13<br>ada (Canadian 5) 2.2205   | 02                 | 0.00<br>0.7 0.7                  |   | 0.5 0.1  | 0                 | Spenish Ports in  | 0.5 0.1                        | 0          |
| Verde Is (CV Escodo) 127.60   | 0.5<br>0.7         | 0.1<br>0.2                       | Lags (New Kip) 631.93<br>Lebanon (Lebanese E) 649.03<br>Lagotho (Majoti) 4.0290   | 0.00 0.7   | 0.3               | N Africa (Sp Peseta) 204,64<br>Sri Lanka (Ruper) 55,30<br>Sodan Rep (D 8,1248                             | 0.6 O.B                        | Ŏ          |
| man is (CIS) 1 4986<br>I Air. Rep (CFA Fr) 523 13   | 08                 | 0.4 0.4                          | 1.1beria 0.3berian \$1 1.8025   | 0.2 0.3<br>0 0.5<br>0.2 0.1                          | 0.3<br>0.5<br>0.1 | Surleam (Gulleter) 3 2729   | 0.5<br>0.7<br>0.2<br>0.3       | 0.00       |
| d (CFA Frt 523 13<br>le (Chilean Peso) 446 00   | 0.4                | 0.00 0<br>0.1 0                  | Libya (Libyan Olear) 0.5097<br>Liecherestein (Swiss Fr) 2.5800<br>Lappensbourg (Lap Fr) 64.70   | 0.2 0.1<br>0.4 0.8<br>0.8 0.9                        | 0                 | Sweden (Kronn) 10.8275  | 0.000 0.4<br>0.4 0.8           | Ö          |
| with Col Peol 531 30  | 0.7<br>0.7         | 0.1<br>0.6<br>0.1                | Marao (Patara) 14.5343  | 0.00 0.6   | 0                 | Switzerland IFn 2.5800<br>Syrta (D 48.7465  | 0.00 0.7                       | ŏ          |
| noro is (CFA Fr) 523 13<br>go (Brazz) (CFA Fr) 523 13<br>ta Rica (Colon) 135.86   | 0.2                | 0.00                             | Madeira (Port Escudo) 253.59  | 0.6 0.9  | ğ                 | Tahean 00 51.28<br>Tarzania (Shijiling) 172.65  | 0.4<br>0.7<br>0.7              | 0          |
| a (Cuban Peso) 1.3751   | 0.3                | 0.8<br>0.4<br>0.4                | Majand (Kwacha) 4 5 300   | 0.5 0.4<br>0.5 0.5                                   | 0.4               | Thatland (Behr) 44.90<br>Topo Rev (CFA Fr) 523.13   | 0.9 0.5                        | ě          |
| ns (Cyprus D 0 8270<br>hoslovskia (Koruna) 9 45c  | 0.4                | 0.2 0.2                          | MaldRe Is (Ruffya) 18.2356<br>Mali Reo (CFA Fr) 523.13  | 0.1 0.8  | o o               | Trinidad/Trisage (5) 6,4998   | 0.2 0.00<br>0.2 0.7<br>0.6 0.1 | Ŏ.         |
| 16.454<br>15.841  |                    | 0.3 0                            | Mattalone (Local Eri 10.4625  | 0.2 0.00<br>0.3 0.1<br>0.8 0.5<br>0.1 0.1            | 0.1               | Turisla (Olnar) 1.5152<br>Turker (Lira) 2393.10   | 0.8 0.4<br>1.6 0.2             | 0.4        |
|   |                    |                                  | Mauritania (Ougulya) 133.6792<br>Mauritius (Maur Rupee) 51.20   | 0.1 0.1<br>0.4 0.5                                   | 8                 | Torts & Caicos (USS) 1.8025<br>Tuvain (Australian S) 2.2735   | 0 0.5                          | 0.5        |
| mark (Danish Kroner) 11.7975<br>Burti Res (Ojib Fr) 319.00<br>Hillica (5 Carrib S.) 4.87<br>Holican Rep 10 Peso) 9.0275 | 0.9                | 0.8<br>0.00<br>0                 | Mexico (Mexican Peso) 4100.50a<br>4152.65d  | 2.8 1.6<br>2.8 1.7                                   | 1                 | Ucarda Olew Shilling) 109.03  | 0.4 0.2                        | 0          |
| ioican Rep 10 Peso) 9.0275  | 0.000              | 0.5 0<br>0.9 0                   | Miquelon (Local Fr) 10.4625<br>Monaco (French Fr) 10.4625   | 0.8 0.3  | <u> </u>          | LUAE (Distant) A 61885  | 0.5<br>0.5<br>0.5<br>0.5       | 0.1        |
| dor (Sucre) 449.680   | 0.4                | 02 0                             | Mongolia (Tugrik) 6.0584  | 0.8 0.3<br>0.3 0.9<br>0.7 0.5                        | o o               | United Kingdom (E) 1.00<br>Helited States (US 3) 1.8025<br>Unutury (Pecc) 613.59<br>USSR (Rosoble) 111.07 | 0.4 0.2                        | 0.5        |
| 774.99n<br>rt. (Egyptian E) 4.1435  | 0.9                | 0.3 0.3                          |   | 0.3 0.9<br>0.7 0.5<br>0.000 0.6<br>0.2 0.1           | ğ                 |   |                                | 0          |
| alwador (Colon) 9.011   | 0.9                | 0.00                             |   | 0.2 0.3  | 0.3               | Vansato (Vatu) 181.50<br>Vatican (Lira) 2301.75   | 0.6<br>1.9 0.6                 | î          |
| opia (Ethiopian 8irr) 3 7093  | 0.00               | 0.1 0.1                          | Naure is (Andralian S) 2,2735   | 0.2 0.7<br>0.3 0.000<br>0.9 0.1                      | o o               | Venezuela (Bolivar) 26.1798e<br>13.59130  | 0.5 0.4<br>0.5 0.3             | 8          |
| fund is IFalk © 100<br>e % (Danish Kroner) 11 7975  | 05                 | 0.3 0.3                          |   | 0.9 0.1  | 0.1               | 57.211  | 0.7 0.4                        | Ŏ          |
| ls /F/) \$) 2.5119  | 0.3                | 0.8 0<br>0.8 0<br>0.3 0<br>0.3 0 | Netherlands (Guilder) 3,4750<br>Rind Antillies (Aguilder) 3,2318<br>Riew Zealand (NZ S) 2,6000<br>Nicaragus (Cordoba) 18,025<br>Niger Rep (CPA Fr) 523,13<br>Rigeria (Natra) 9,45 | 0.4 6.8  | 4                 | Virgin h-Sritish (US S) 1,8025<br>Virgin k-US (US S) 1,8025<br>Virgin k-US (US S) 1,8025                  | 0.6 0.6<br>0 0.5<br>0 0.5      | 0.5<br>0.5 |
| tre (Fr) 10 4625<br>Cty/Africa (CFA Fr) 523.13<br>Salana (Local Fr) 10.4625   | 0.2                | 0.00                             | Nicaragua (Cordoba) 18.025<br>Higar Rep (CFA Fr) 523.13<br>Higaria (Natra) 9.45   | 0.2 0.00<br>0.2 0.00<br>0.a 0.4                      | ĕ                 | Western Samos (Tala) 3.65   | 0.00 0.1                       | 0.1        |
| Salana (Local Fr) 10.4625<br>Pacific is (CFP Fr) 189.00   | 0.8                | 0.30                             | Horway (Nor. Krone) 11.3050   |  | Ō                 | Venne (8140 18.47   | 0.2 0.9                        | 0.1        |
| on (CFA Fr) 523 13  | 0.2                | 0 00 0                           | Omen CRIal Omenii 0.6935  | 0.3 0.2  | 0.2               | Yemen PDR (Dinar) 0 6193<br>Yugoslavia (Olnar) 3577.29  | 03 02                          | 0.2        |
| on (CFA Fr) 523 13<br>thia (Dnlast) 11 6906<br>many East (Ostmark) 3.0950<br>many West (O Mark) 3.0950                  | ŎŹ                 | 0.7                              | Pakistae (Pak Rupee) 31.40<br>Panama (Bathoa) 1.8025  | 0.4 0.1<br>0.5                                       | 0<br>0.5          | Zake Reg (Zake) 254 9901  | 0.4 0.3                        | 0          |
| many West, (O Mark) 3 0950<br>ng (Cedi) 333 27  |                    | 0.6                              | Papua New Guines (Kina) 1.5295  | 0.8 0.4  | 0.4               | Zambia (Kwacha) 14.05<br>Zimbabwa (S) 3.2150  | 0.7 0.5<br>0.7 0.00            | 000        |

# CREDIT RISK MANAGEMENT SERVICES 01-739 9939

Paraguay (Guarani) 582,40e 0.1 1592,072 0.2



FT INTERNATIONAL BOND SERVICE Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on June 6

Change on

Section 1025, 1025, 0.401, 4.74

45 1725, 1025, 0.401, 4.61

80 99 991, 0.401, 4.61

20 1005, 1005, 0.401, 5.02

30 1001, 1005, 0.401, 5.02

30 1001, 1005, 0.401, 5.02

30 1001, 1005, 0.401, 5.02

50 995, 995, 104, 401, 5.17

150 1031, 104, 401, 0.454

50 99 993, 0.401, 4.83

50 1031, 1037, 403, 404, 405, 4.54

c... On day 0 on week 403, Beigliam 5½ 92..... Beigliam 4½ 94..... Canada 4½ 92..... Elec. De France S½ 94..... 

Bart, Bk. 104, 97 E.

BP Capital 9 4, 93 E.

BP Capital 9 4, 93 E.

CI B C Mort 104, 93 CS.

Cop Cr. Rabo. 6 92 FL.

Deomark 7 % 92 ECU.

Deomark 7 % 92 ECU.

Deotsche Bank 9 % 97 E.

Dett Bk. Aust 124, 95 AS.

E. I B 104, 98 ES.

E. I B 104, 98 ES.

E. I B 19 3 LF.

Euratom 7 % 97 ECU.

Eurofina 7 % 91 FL.

Imp Chem Isds 10 03 €.

Invinciously int 10 93 €.

Invinciously int 10 93 €.

Nat. West 8x 13 % 92 AS.

Nat. West 8x 13 % 92 AS.

Nat. West 8x 13 % 92 AS.

Nat. Owled ES 10 % 93 €.

New Zesland 7 % 93 ECU.

Desters Ktbk 13 % 94 AS.

Prudential Fin. 93 % 97 €.

Royal 8k Scot. 10 % 98 €.

So. R 7 4 % 95 ECU.

Wisto Lb. Fin. 12 % 93 AS.

Pud TIBBAR 13 % 94 AS.

FLATING RATE

On day +0.02 on week -0.0

Cov. Cay
date srice Sld Offer
18/87 62 961, 971,
17/86 26 25 101 102
9/87 56 7 991, 100
4/87 66 75 629, 631,
4/87 907, 1344, 1257,
4/87 908, 1474, 2483,
4/87 908, 1474, 2483,
4/87 908, 1474, 2483,
4/87 908, 1474, 2483,
4/87 908, 1474, 1294,
4/87 908, 1474, 1181,
11/87 408 104, 1181, 1191,
9/87 978, 1164, 118,
11/87 43 1044, 1195,
4/88 804, 131, 133,
14/88 804, 131, 133,
14/88 804, 131, 133,
14/88 804, 131, 133,
14/88 804, 131, 133,
14/88 804, 131, 133,
14/88 804, 131, 133,
14/87 808, 257, 754, 774,
9/87 9287 754, 775,
9/87 9287 754, 775,
9/87 9287 754, 775,
9/87 9287 754, 775,
9/87 9287 754, 775,
9/87 9287 754, 775,

Change on the property of the

| Chasses on | Cha

ISJ 5%, 92.
Japan Finance 5½, 97.
Ireland 6½, 97.
Kowa Dee BK 6%, 93.
Mafayila 6½, 94.
Nat. West, 61%, 94.
Portugal 5½, 92.
Privathanken 5½, 93.
Privathanken 5½, 93.
Privathanken 5½, 93.

June 7 1988

Sues

6

# Lloyds Bank Base Rate.

Lloyds Bank Plc has increased its Base Rate from 8 per cent to 8.5 per cent p.a. with effect from Monday 6 June 1988.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to Lloyds Bank Base Rare will be varied accordingly.

The change in Base Rare will also be applied from the same date by the United Kingdom branch of The National Bank of New Zealand Limited.



THE THOROUGHBRED BANK.

Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS

# **Bank of Scotland** BASE RATE

Bank of Scotland announces that with effect

from Monday, 6th June, 1988

its Base Rate will be

increased from

8.00% per annum to 8.50% per annum



# The Royal Bank of Scotland pic **Base Rate**

The Royal Bank of Scotland announces that with effect from close of business on 7June 1988 its Base Rate for advances will be increased from 8% to 81/2% per annum.



# **BASE RATE**

CLYDESDALE BANK PLC ANNOUNCES THAT WITH **EFFECT** 

**FROM 7TH JUNE, 1988,** 

ITS BASE RATE FOR LENDING

IS BEING INCREASED

FROM 8% TO 8½% PER ANNUM

# Standard & Chartered

#### **Base Rate**

On and after

7th June, 1988

Standard Chartered

Bank's Base Rate for

lending is being

increased from

8.0% to 8.5%

Standard Chartered Bank

Head Office 38 Bishopsgate, London EC2N 4DE Tel. 01-280 7500 Telex 885951



With effect from the close of business on Monday 6th June 1988 and until further notice, TSB Base rate is increased from 8.00% p.a. to 8.50% p.a.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to TSB Base Rate will be varied accordingly.

TSB Group plc, 25 Milk Street, London EC2V 8LU.

# **Hill Samuel Base Rate**

Hill Samuel & Co. Limited announce that

with effect from close of business

on 7th June 1988, their Base Rate

for lending will be increased from

8.0 per cent to 8.5 per cent. per annum.



Hill Samuel & Co. Limited 100 Wood Street, London EC2P 2AJ. Telephone: 01-628 8011.



## Girobank plc **Base Rate**

Girobank announces that

with effect from

close of business

on 6 June 1988

its Base Rate was

increased from 8.0%

8.5% per annum. Reg Office: 10 Milk Street London EC2V 8JH

# bank leumi (uk) plc

**Base Rate** 

Bank Leumi (UK) plc would like to announce that with effect from Tuesday 7th June 1988 its base rate for lending is increased from 8 per cent per annum to 8½ per cent per annum.

bank leumi בנק לאומי 🛞



Coutts & Co. announce that their Base Rate is increased from 8.00% to 8.50% per annum with effect from the 7th June, 1988 until further notice.

All facilities (including regulated ner credit agreements) with a rate linked to Cours Base Rate will be varied accordingly.



# Base Rate

With effect from Tuesday 7th June, 1988 Co-operative Bank Base Rate changes from 8.00% p.a. to 8.50% p.a.

# 調THE CO-OPERATIVE BANK

Co-operative Bank p.l.c. P.O. Box 101, 1 Balloon St., Manchester M60 4EP. Tel.: 061 832 3456

# Barclays Bank Base Rate.

Barclays Bank PLC and Barclays Bank Trust Company Limited announce that with effect from 6th June 1988 their Base Rate increased from 8% to 8½%



Reg. Office: 54 Lombard St., EC3P 3AH. Reg. No's 1026167 and 920880.

#### THE F.T. CENTENARY TRIPLE MARATHON CHALLENGE (London Paris New York) IN AID OF THE SICK CHILDRENS TRUST

Two employees from the Financial Times will be running the London, Paris and New York marathons this year to raise money for The Sick Children's Trust.

This charitable trust provides desperately needed accommodation for parents of children undergoing long-term specialist treatment at Great Ormond Street and St Bartholomew's. Hospitals. The accommodation is currently in very short supply and is urgently required to house parents to comfort their children while they are away from home.

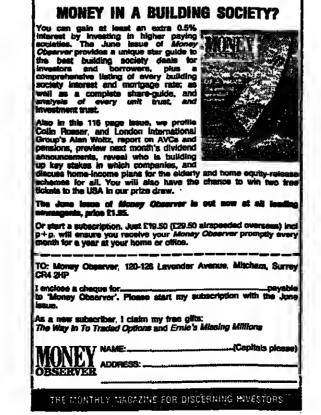
To sponsor the FT athletes please contact:-

Tim Kingham or Cliff Crofts on 01-248 8000 or write to them at:-

Financial Times, Bracken House, 10, Cannon Street, London, ECAP 4BY.

THE SPONSOR WHO DONATES THE HIGHEST CONTRIBUTION WILL RECEIVE A CASE OF LAURENT-PERRIER FT CENTENARY PINK CHAMPAGNE.

FINANCIAL TIMES





NatWest announces that with effect from and including Tuesday 7th June 1988 its Base Rate is increased from 8.00% to 8.50% per annum.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to NatWest Base Rate will be varied accordingly.

41 Lothbury London EC2P 2BP

#### YORKSHIRE BANK Base Rate

With effect from close of business on

Tuesday 7th June 1988

Base Rate is increased from

8% to 81/2%

All facilities (including regulated consumer credit agreements) with a rate of interest linked to Yorkshire Bank Base Rate will be varied accordingly.



Head Office 20 Merrion Way, Leeds LS2 8NZ

# Amersham advances 14% to £25m

Amersham International, bealthcare and medical research prod-ncts group, increased pre-tax profits by 14.5 per cent to £25.3m for the year to March 31, against £22.1m in 1986-87.

The strength of sterling held back sales, which rose 11 per cent to £165m (£148m), although overall group profits were not badly

The company said currency fluctuation had affected profits made on business overseas and translated into sterling, it bad also made it difficult to increase prices to compete with US-based

rivals.

However, the effect had been partially offset, said Amersham, by increased productivity, a rig-orous programme of cost containment and some selective hedging of sterling against foreign curren-cies. The company said it had taken out forward contracts he added.
which it expected would cover the worst effects of continued which helps measure the flow of

currency instability in 1968-89. Earnings per share rose 23 per cent from 26.6p to 32.6p, and the company recommended an increased final dividend of 6.8p,

making 10p (8.2p) for the year.

Research products increased operating profits by 7 per cent, from £13.7m to £16.8m on sales of £64.8m (£58.5m), affected by the veakness of the dollar.

Operating profits increased by 38 per cent to £9.04m (£6.55m) in the medical products division, on sales of £71.2m (£62.8m).

Mr Stuart Burgess, chief executive, said major investment in the Amerlite laboratory diagnostic system was now beginning to pay off. In 1987-88, Amerlite— used to analyse blood and body fluids - recovered its manufac-turing and marketing costs and contributed to development costs,

blood through the brain and aids the detection of disorders such as Alzheimer's disease, also contributed to the improvement in prof-

Amersham also armounced yesterday that it was to acquire the sole rights to the technology resulting from a joint research programme with Thorn EMI. The companies have developed low-cost biosensors which are used for rapid analysis of patients' body fluids.

Industrial products increased profits from £5.32m to £5.82m on sales of £29.1m (£27.2m). Amersham said it was developing microbial testing for food, dairy and other industries and expected these products to be ready for a launch in 1989.

and collaborative ventures.



Stuart Burgess - Amerite

Gross capital expenditure dur-The company added it would ing the year was down from continue to expand the business £21.4m to £18.7m. Gearing organically and through the increased slightly from 35.1 per acquisition of related husinesses cent to 36.9 per cent.

#### GrandMet in £21.5m frozen desserts deal

Express Foods, a subsidiary of ing director of Express Foods, Grand Metropolitan, has paid said: This purchase provides £21.5m to acquire Kaysens, a privately owned manufacturer of tunity to further strengthen and

Kaysens has a factory in North London, It mainly supplies the UK catering trade, with a small amount of sales going to the

# frozen cakes and speciality des-serts, develop its position in the frozen desserts market. "Kaysens compliments our existing husiness, Fleur de Lys.

which was acquired in October retail sector. 1987 and has a major presence in Mr Mike Hodgkinson, manag-the retail sector of the market."

Courts lift last obstacles to bid for Koppers

By Philip Coggan

The remaining obstacles to Beazer's \$1.70n hid for Koppers, the US aggregates and chemicals group, appear to have been lifted. Courts in California and Pitts burgh have removed injunctions which prevented the UK househuilding and construction group from consummating its offer. Beazer's \$61 per share offer. which is now recommended by the Koppers' board, is open until

#### First Leisure sells London arcade for £6m

By Vanessa Houlder

First Leisure Corporation has sold the Crystal Room Arcade in Leicester Square, London, to United Leisure for £6.05m in

profit of £909,000 for the year ended October 31 1987, hut is expected to show reduced profits following recent changes in legis-lation affecting opening hours in the Westminster area.

# Merger accounting helps Bromsgrove rise to £2.9m

BY RICHARD TOMKINS, MIDLANDS CORRESPONDENT

series of acquisitions helped push up pre-tax profits at Bromsgrove Industries, specialist engineering grnup, from a restated film to £2.9m for the year to end March, on turnover up from £18.5m to

The figures included profits of two companies bought on the last day of the financial year — Rich-ard Arnold and Eurocast Bar on a merger accounting basis as though they were part of the group for the full period. Dilution from share issues and a rising tax charge prevented

arnings growth matching the profits increase, but earnings per share nevertheless doubled from 4.78p to 9.77p, A proposed final dividend of 1.45p makes 2.1p (1.65p) for the year.

cash. Iment of 35-year-old Mr Bijan ance that last year's organic The Crystal Room, its only city Sedghi, a corporate lawyer, as growth, albeit modest, was not a centre arcade, made an operating executive chairman in January one-off event. The air of despera-

In just over a year the group has made eight acquisitions which have taken it into a wide variety of markets including aerospace, defence, electronics a prospective p/e of 9.5.

FIRST-TIME contributions from a and domestic appliances. The purchase of Triman and Neville last month, after the year-end. has taken it into sports footwear and financial services.

comment

For all Bromsgrove's enthusiasm about niche engineering businesses in technologically advanced products, it is some-times hard to detect the synergy in a group whose lines include trim for domestic appliances, critical components for the aerospace industry and plastic spikes for golf shoes. Rather, this looks suspiciously like a plain old mini-cooglomerate of toe sort that went out of fashion las October, chorning out paper in pursuit of acquisition-led growth That may be too harsh a verdica Bromsgrove, formerly a small of Bromsgrove: if analysts' fore-aluminium founder, has grown casts of £5.3m this year prove rapidly following the appoint- correct, it will be some reassurtion created by the inclusion of Arnold and Eurocast for a full year, however, did nothing to dis pel the market's reservations and the shares shed 1p to 114p for



#### "The merger of FKI and Babcock has created a lean, broadly based international engineering group"

King Chairman

#### **PRELIMINARY RESULTS** Year ended 31st March £0003 £00003 904,149 83,563 Turnover 48,565 11,276 Pront before tax 7.36p Earnings per share 12.24p Dividend interim 0.6p 0.4p1.75p -proposed final 1.0p Total 2.35p1.4p

#### Highlights from the Statement by the Chairman

- Earnings per share up 66% at 12.24p on a higher tax charge.
- Pre tax profits up 330% at £48.5 million.
- Final dividend up 75% at 1.75p and total dividends for year up 68% at 2.35p.
- Net tangible assets per share almost doubled at 54p.
- Rationalisation of Stone and Babcock Companies complete.
- Gearing reduced to a negligible level by sale of FATA and other disposals.
- Group now in strong position to fund acquisitions without recourse to shareholders.
- Strong current trading and substantial order books give confidence for the coming year.

FKI BABCOCK PLC

Stoney Royd, Halifax, HX3 9HP

# **GUS** takes 25% stake in Penguin

By Flona Thompson

Mr Golder launched the com-pany in May when he bought seven provincial botels for Group. He personally has a 20 per cent stake in Penguin and is chief executive. More than a dozen major financial institutions have also taken equity

Mr Trevor Spittle, joint dep-uty chairman of GUS, is join-ing the Penguin board, together with Mr David Nabarro of Prudential Bache

Regalian Properties.
The group's seven botels, in York, Wetherby, Chester, Preston, Birmingham, Leicester and Felbridge in Sussex, are all three-star hotels. "We are aiming at the middle market, conferences and people spend-ing their own money," said Mr Golder. "There is a big gap in the market for this type of

Stakis, hotel, leisure and prop-

The two companies run three nursing homes in the Glasgow, Edinburgh and Sheffield areas. Mr Andros Stakis. chief executive, said that the group, which in December acquired the Warren Park nursing home in Scotland, was now established as a major operator in the healthcare sec-

of more than £20m.

COATINGS & PAINTS The Financial Times proposes to publish

Monday, 3rd October, 1988

For a full editorial synopsis and ivertuement details, please contact:

Financial Times
Alexandra Buildings
Queen Street
Manchester
M2 5HT

**FINANCIAL TIMES** 

# Hotel chain

Great Universal Stores. Britain's biggest mail-order group, has taken a 25 per cent stake in The Penguln Hotel Group, the company formed by Mr Michael Golder. He was chairman and chief executive of the Kennedy Brookes res-taurant chain until its acquisition by Trusthouse Forte last

and Mr David Goldstone of

Mr Harold Bowman, joint deputy chairman of GUS, said his company had been looking for an investment in a leisure-oriented business since it sold its interest in Global Tours in

#### Stakis expands its healthcare

erty group, is to expand its interest in the healthcare field through the purchase of Dal-nair and Bradley Court for

Stakis also revealed plans for five nursing homes in city centre locations in Scotland and Eogland and hy next year expects to have more than 1,000 nursing beds in opera-tion, with an investment value

BRIAN HERON Regional Manager on 061 834 9381 (telex 666813) (fax 061 832 9248) or write to HIM at:

# M&G moves ahead 20% to £10.7m at half-time

M&G, unit trust group, achieved a 20 per cent increase in pre-tax profits from £8.88m to £10.68m in the half-year to end March. Earn-

the half-year to end-March. Earnings per share advanced 18 per cent to 9.38p.

Bond Corporation, the Australian group headed by Mr Alan Bond, has a 10 per cent stake in the company.

Despite the effects of the stock market crack sales of MAG's

Despite the effects of the stock market crash, sales of M&G's unit trusts were only marginally lower than the record levels achieved during the same period last year, at £215m against £230m. But redemptions also rose sharply to £221m, compared with Mr Andrew Caldecott, chair-

man, described the figures as encouraging" but warned that "the second half will compare with the exceptionally high level of profitability experienced in the second half of last year." During this period the group made pre-tax profits of £14.48m.

Yesterday the shares fell 5p to

close at 365p.

Revenue from unit trusts rose to £16.39m (£15.24m). Marketing and commissions costs fell from £5.38m to £4.34m, but administrative costs were higher at £5.11m (£3.86m). This mainly reflected the introduction of new systems to comply with the Financial Ser-vices Act.

On the life assurance side, new annual premiums rose to £16m (£5.8m), helped by a surge of plans following the New Year 3.5p (3p).



There is an interim dividend of

Besides its "blue-chip" reputa-tion in the unit trust industry, tion in the unit trust industry, M&G has two cushions in difficult times. One is its life assurance husiness. In its own right, this has been expanding comfortably, year-on-year. The immediate offect is to depress profits, but this bolles the longer-term value of the growth in business. Additionally, the life assurance side provides M&G with more reliable sales of unit-linked investments than other independent groups that rely solely on sales through intermediaries. M&G sother strength is its solid cash flow, providing reasonably

sales through intermediarios. M&G's other strength is its solid cash flow, providing reasonably predictable investment income from deposits, it is also likely to be less hit than other groups by the impact of new SIB rules in that it has been less reliant on unit trust trading profits, though premiums in force at the year end were £62.3m, compared with £46.8m. Profits from this side of the company rose from £1.45m to £1.7m.

Interest and investment income came to £2.63m, against £1.44m for the comparable period in 1987, and £1.96m in the last second balf. M&G's investments depreciated by £9,15m during the aix months. This was reflected in next the shares on a prospective pie of about 19. They are still reflecting the stake-building by Mr Bond even though this appears to have let up of late and he clearly has distractions elsewhere.

even though this appears to have let up of late and he clearly has distractions elsewhere. See Lex

# Cowells plans San Serif merger

Both companies are based in ipswich and Cowells said the lei-sure activities, publishing and printing businesses of San Serif were complementary to its diversified printing activities.

sitied printing activities.

Mir John Pryke, chairman of San Serif, said the two managements had similar philosophies and the merger would help keep resources within the group, in particular, Cowells would print the cards for the Trivial Pursuit

grown rapidly as a result of the success of Trivial Pursult, which it markets, manufactures and distributes throughout Western Europe. Pre-tax profits rose to £6.5m in the 18 months to Decem-

tive to Cowells.

Mr Pryke said he hoped the negotiations could be concluded by the end of the month.

Full details of the merger ber 31 on sales of £91m. would be circulated to sharehold-Since January 1986, San Serif has used the profits from Trivial Pursuit to diversify into leisure. concluded, said Cowells. Applica-Pursuit to diversify into leisure. concluded, said Cowells. Applica-printing and publishing. It tion would then be made to the bought Kemps in Birmingham. Stock Exchange for permission to one of the UK's largest directory deal in the enlarged share capital publishers, in June 1986.

# Chadburn and LDH

suspended

Porter

By Philip Coggan Shares in Porter Chadburn, the hudding industrial conglomerate, and in LDH, the upholstery fabric distributor, were suspended yes-

The suspensions were expected

to presage the announcement later this week of a merger between the two groups. LDH is capitalised at £9m at the suspencapitalised at £9m at the suspen-sion price of 111p; Porter Chad-burn at £19.5m at the price of 76p. Porter Chadhurn, which is being reorganised under the chairmanship of Mr Raymond Dinkin, made interim pre-tax profits of £158,000 in the aix months to September 30, 1987; LDH made pre-tax profits of 2504,000 in its last full year.

#### Armitage bid cleared

The proposed acquisition of George Armitage, brick manufac-turer, by Marshalls Halifax, huilding materials and engineering group, is not to be referred to the Monopolies and Mergars

# Thorn's buy from Hanson

Thorn EMI, electronics, lighting and leisure group, is to pay Han-son \$10.8m (£6m) for Kidde Automated Systems, US-based fire

protection and security systems company.

The disposal is the fourth since Hanson bought the security com-pany's parent, the diversified industrial group Kidde, for \$1.7bn late last year. The three earlier

sales, of Computrol, Globe Securi-ties, and of a majority stake in Japan-hased Fenwal Controls,

The purchase price for Kidde Automated is equal to its net assets at the end of 1987, a year

in which it lost \$431,000 on sales of \$28.1m. of \$28.1m.
Thorn said the Ohio-hased company's husiness was complementary to that of Thorn Security, UK leader in fire detection and the largest UK company addressing the trend towards integrated huilding control systems.

#### **DIVIDENDS ANNOUNCED**

|                     | Current<br>payment | Date<br>of<br>payment | Corres -<br>ponding<br>div | Total<br>for<br>year | Total<br>last<br>year |  |
|---------------------|--------------------|-----------------------|----------------------------|----------------------|-----------------------|--|
| Amersham Intlfin    | 6.8                | Aug 8                 | 5.4                        | 10                   | 8.2                   |  |
| Borthwicksint       | 0.5                |                       | 0.5                        | -                    | 0.5                   |  |
| Braithwaitefin      | 4.51               | Aug 31                | nii                        | 4.5                  | nil                   |  |
| Bromsgrove Indsfin  | 1.45t              | July 22               | 1.15                       | 2.1                  | 1.65                  |  |
| lling Morrisfin     | 3                  | Aug 26                | 2.75                       | 4.5                  | 4                     |  |
| Kynoch (G & G)int   | 3                  |                       | 1                          |                      | 4.5                   |  |
| M&G Groupint        | 3.5                | July 8                | . 2                        | •                    | 7                     |  |
| N M C Groupfin      | 1.6†               | Oct 1                 | ĭ                          | 2.3                  | 1.5                   |  |
| Piccadilly Rad §int | 1                  | Sept 30               | 0.88                       | 4.0                  | 2.25                  |  |
| Sheraton Secsfin    | 1.75               | July 25               | 9.75                       | 2.25                 | 1.13                  |  |
| sketchieyfin        | 13+                | Aug 10                | 13                         | 10+                  | 1.13                  |  |

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. tOn capital increased by rights and/or acquisition issues. SUSM stock. SiUnquoted stock. Third market.

# **Design In British Industry**

The Financial Times proposes to publish this survey on:

6th July

For a full editorial synopsis and advertisement details, please contact:

> **CLARE REED** on 01-248 8000 ext 3365

or write to her at:

Bracken House 10 Cannon Street London EC4P 4BY

FINANCIALTIMES

# SPONSORED SECURITIES Low Corepany 185 Ass. Brit. Ind. Ordinary 186 Ass. Brit. Ind. Ordinary 186 Ass. Brit. Ind. Ordinary 25 Armitage and Rhodes 50 BBB Design group IUSB() 155 Bardon Group Conv. Prof. 177 Bray Technologies 100 Greenhill Conv. Prof. 246 CCL Group Ordinary 246 CCL Group Ordinary 10.5 46 40 10.5 42 92 9.2 16 64 2.4 2.7 26.6 3.9 7.7 4.1 7.2 7.4 5.7 7.9 194 Torday & Car These Securities are dealt in strictly on a matched bargula basis. Italiaar Granville & Co nee Cranville Granville & Compony Limited 9 Lovat Lune, London ECSR 2007 Telephone 01-621 1212 Member of TSA Grandh Devis Limind 8 Lova Line, London FCJR 88F Telephone Ol-821 12t2 Member of the Stock Exchange & TSA

#### **UK COMPANY NEWS**

# BP extends tender offer for \$100m of Lear Petroleum debt

British Petroleum yesterday responsible for paying the debt, extended until June 10 its tender this could not be done until the

debt had been tendered to BP at a discount to face value, BP has made the acquisition contingent on the tendering of at least

Holders of Lear debt who decline to accept the tender offer would have to take their chances on Lear being able to repay the debt after BP completes the take over, which would also be contingent on the outcome of a share debt holders to holders meeting on June 14.

Although Lear would be further extended

extended timil June 10 its tender offer for \$100m (£55m) of debt issues of Lear Petroleum, the US gas distribution company which it is in the process of acquiring, following underscription of the offer by holders of the debt.

As of June 3 some \$37m of the debt that BP turns the company and the company around the process of the debt would have to wait for an unspecified period of time, presuming the process of the debt turns the company around the process of the debt turns the company around the process of the debt turns the company around the process of the debt turns the company around the process of the debt turns the company around the process of the debt turns the company returns to financial beautiful to the company returns to financial beautiful time to the company returns to financial beautiful time to the process of acquiring the process of the debt to the process

If holders of the debt fail to accept the tender offer, they also run the risk that BP would withdraw from the deal raising fur-ther questions about when or if the debt would be satisfied.

# **Takeover Panel clarifies**

Some of the companies have arcane voting structures, which limit the maximum number of votes which may be exercised by shareholders, irrespective of the size of their stake, or even reduce the number of votes available per

share as the stake is increased.
All statutory and chartered companies are covered by the code - a clause was recently added to its introduction to rein-force this - but occasionally con-way. fusion has arisen because statu-tory companies are not registered under the Companies Act.

The planned privatisation of the much bigger water authori-ties has stimulated interest in the

companies. Large investors -notably French water suppliers - have been building substantial stakes in the 28 private sector companies, which work under agency agreements with the 10 authorities.

l tanso

1. - 1.0 m 50 1 - 1 (5 m)

CED

Yesterday's statement says investors should calculate the maximum number of votes they could exercise if restrictions did

APPOINTMENTS

**ADVERTISING** 

BP said yesterday that it did not believe the acquisition was in jeopardy because of failure of the debt holders to respond to the offer, and that the offer could be

#### Liquidation for Drayton Japan as holders vote for transfer of units

of revised reconstruction propos-

als.

These will allow investment ton chairman, criticised the attitude of three unidentified institutions which first voted for either to Drayton Far Eastern liquidation last year. Trust or to a new unit trust, MIM Britannia Drayton Japan. Following the vote at yesterday's best performing companies, be extraordinary meeting, the scheme will now be implemented trial, are going to be subject to and Drayton Japan will be liquidation or takeover for a and Drayton Japan will be liqui-dated on June 15.

The long-running saga over the fate of the Drayton Japan Investment Trust all but came to a conclusion yesterday as shareholders or the new units and the balance for the new units and the balance for a continuing stake in the investment trust.

Eric Morley (left), chairman of the Miss World Group, Julia Morley, his wife, and Owen Oyston, chairman of Red Rose Radio who agreed a merger of the two companies yesterday.

Lord Stevens of Ludgate, Dray-ton chairman, criticised the atti-

short-term opportunistic profit,

OFFICE PROPERTY The Financial Times proposes to publish this survey on:

Friday 24 June For a full editorial synopsis and advertisement details, please

on 01-248 8000 ext 3284 or write to HIM at: 10 Cannon Street London EC4P 4BY

FINANCIALTIMES

This notice is issued in complainte with the requirements of the Council of The Shoth Exchange. It does not construct an efficiency or minitation to any person to subscribe for or purchase any shares in the Company Application has been made to be count of of The Stock Exchange for the grant of permit sion to deal in the Ordinary shares and the Warraous to substitute for Ordinary shares in the Company in the Unlisted Securities Market. Dealings are expected to commence todays

#### TRANWOOD

#### TRANWOOD PLC

Transood is a financial services organisation engaged in corporate linance. agency stockbroking and financial communications

> Introduction to The Stock Exchange PHILLIPS & DREW SECURITIES LIMITED

> > SHARE CAPITAL

and fully raid

Ordinary Share of 5p each

The document relating to the introduction is available in the Extel Statistical Service. Copies of this document may be obtained during normal business hours up to and including both lune. 1968 from the Company Announcements Office, 46-50 Finsbury Square, London ECPA IDD and during normal office hours on any weekday (Saturdays and public holidays excepted) up to and including 15th July 1988 from

> Tranwood PLC. 123 Sloane Street London SW1X 9BW

6.700.000

Phillips & Drew Securities Limited 120 Moorgate London ECPM eXP

8th June, 1988

# water companies' position

THE TAKEOVER Panel yester-day issued a special ruling clari-fying how the Takeover Code applies to statutory water compa-could possibly be exercised. As day issued a special ruling clari-fying how the Takeover Code applies to statutory water compa-nies. with ordinary companies, once the investor's nominal stake passes 29.9 per cent, a full offer

has to be made Investors in statutory water companies do not have to declare a stake until it reaches 15 per cent, compared with the 5 per cent disclosure level for registered companies.

Most of the major investors in water companies already express their stakes in the recommended

"I would be surprised if any new investors popped np as a result of the statement," said an official of the panel, which advises any potential bidder or substantial investor to consult it at an early stage. "We seem to have been talking

IN BRIEF

HARTWELL Byrom House Nominees has acquired a further 719,000 ordinary shares increasing holding to 5.4m ordinary (6.87 per cent).

KELT ENERGY— Rights issue has received valid accentances.

received valid acceptance

for 7.073m offer units (40.8 per

TRIMOCO- Norcombe, which is beneficially owned by Bishops-

about water companies half our time recently." Biwater Supply yesterday announced that its final offer for East Worcestershire Waterworks Company would close at 3pm on 20 June. The offer was declared unconditional last month.

As Pineapple Group PLC for dance, exercise and

Since 1985, the Group has been expanding fast. Into Graphics & Design, Incentives & Motivations, Sales Promotion & Direct

Today, with our UK and tions in the world. Which may come as a surprise, and not a little concern, to our competitors.

1988 we'll become known as Prospective Group plc. Look out for us.

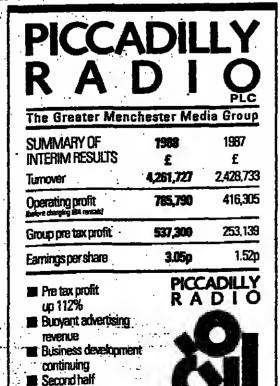
# We're one of the largest marketing services organisations in the world. And no one even knows our name.

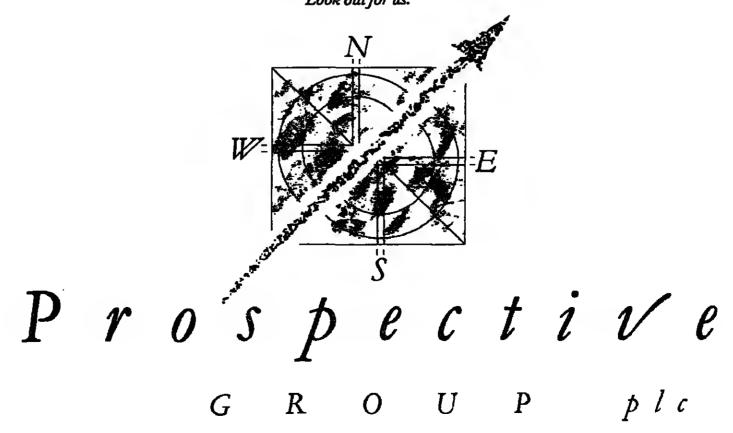
we were known in most circles fashion. But that was only one part of a changing and very much larger story

Marketing and Specialist Communications. US interests, we're one of the largest below-the-line Marketing Services organisa-

To reflect that change in direction and our confidence in the future, we're calling ourselves something different. From Monday 6th June

#### gate Investments, has purchased a further 1.5m shares ordinary making total holding 6.15m (7.98 FINANCIALTIMES NORTHAMPTONSHIRE Appears every The Financial Times proposes to publish this Wednesday survey on: and Thursday 21st June 1988 For a full editorial synopsis and advertisement details, Anthony G Hayes call 01-248 8000 on 021-454-0922 Tessa Taylor or write to him at: ext 3351 Deirdre Venable ext 4177 Financial Times Paul Maraviglia George House ext 4676 George Road sheth Rower Edgbaston ext 3456 Birmingham B15 1PG **FINANCIAL TIMES**







#### SHERATON SECURITIES INTERNATIONAL

#### £50,000,000 **Revolving Credit Facilities**

comprising a £35.000,000 secured facility and a £15,000,000 unsecured facility

Lead Managed by

Lloyds Bank Plc

PK English Trust Company Limited

Managed by

Midland Bank plc **Barclays Bank PLC** National Westminster Bank PLC The Royal Bank of Scotland plc Standard Chartered Bank

Provided by

Lloyds Bank Plc Barclays Bank PLC National Westminster Bank PLC Standard Chartered Bank Credit Commercial de France London Branch

Midland Bank plc The Royal Bank of Scotland plc The British Linen Bank Limited Italian International Bank Pic (Monte dei Paschi di Siena Banking Group)

PK English Trust Company Limited

Paying Agent



ENGLISH

Facility Agent



#### SHERATON SECURITIES INTERNATIONAL

- Profits increase 142%.
- Dividends increase 100%.
- Strong level of development activity and demand continues.

| FINANCIAL                             | HIGHLIG<br>1988 | H T S<br>1987 |
|---------------------------------------|-----------------|---------------|
| Year to 31st March                    | £'000           | £,000         |
| Property sales and related activities | 31,403          | 19,719        |
| Profit before taxation                | 11,266          | 4,650         |
| Earnings per share                    | 6.8p            | 3.5p          |
| Dividends per share                   | 2.25p           | 1.125p        |

For copies of the Chairman's Statement and the Report and Accounts write to the Financial Director SHERATON SECURITIES INTERNATIONAL PLC. LECONFIELD HOUSE, CURZON STREET, LONDON WIY7FB.

# BANCO DE BILBAO

SHARE CAPITAL INCREASE

The Board of Directors of BANCO DE BILBAO. S.A.. meeting on 30 May 1988, has resolved to effect an increase in the Bank's shere capital from 28,000 million to 39,200 million pesetas, by means of an increase in the nominal value of the 56 million ordinary shares in issue which accordingly rises from 500 to 700 pesetas

This increase, which is charged in its entirety to reserves, takes effect as from 1 June 1988. Holders of IDR's must lodge them at Hill Samuel & Co., 45 Beech Street, London EC2P 2LX and Morganbank, 35 Avenue Des Arts, B1040 Brussels for over-stamping.

#### NORTH RHINE WESTPHALIA

The Financial Times proposes to publish this survey on: JUNE 29th 1988

For a full editorial synopsis and advertisement details, please contact;

DARREN DODD on 01-248 8000 ext 3472

or write to him at:

Bracken House 10 Cannon Street London EC4P 4BY

or if in Germany please contact:
Birgit Schilbe
Financial Times (Germany Advertising) Ltd
Guiollettstrasse 54 D-6000, Frankfurt am Main

West Germany
Tel: (069)75980 Telex: 416193 Fax: (069) 722677

**FINANCIAL TIMES** 

#### Perrys to pull out of estate agencies

Perry Group, the Ford main dealer, is selling its estate agency business, which has failed to achieve the results

Announcing this at the annual meeting, Mr Richard Allan, the groop's chairman and chief executive, said when toe group entered estate agency in 1985 that business

was fragmented.
Now insurance companies, financial Institutions and large building societies dominated the market place and could seriously affect the profit-mak-ing opportunities of a business like Perrys, with only 12 out-

Perrys had accepted an offer which would enable it to recoup the considerable capital investment and re-direct the financial resources towards its core husiness of motor dealer-

core husiness of motor dealer-ships.

Details of the transaction would be given when it was concloded.

As to the rest of the group, Mr Allan said all was going well in 1988 and profits for the opening four months were sub-stantially ahead of the previ-

#### Leslie Wise £6.4m purchase

Leslie Wise Group is to pay to complement its activities in women's fashions. Jeamland is a London-based manufacturer of blouses and separates.

The consideration of £6.44m is to be satisfied by a mixture of cash and shares. Forther consideration of op to £877,500 is payable dependant on the financial results of Jeamland. In the year to September 30 1987. Jeamland made £0.9m before tax, on turnover of £9.4m. Net assets at that date were about £1.3m.

#### French buy for T&N

T&N, motor component, industrial and engineering group, is set to expand its fluid con-plings activities via the acquisition of French-based Sime Industrie from Valeo for FFr 40m (£3.8m).

Sime, a manufacturer of finid couplings and industrial safety brakes, made an operatover of FFr 100m in the year to end-December.

Mr Colin Hope, managing director, said: "The acquisition of Sime will considerably strengthen the group's posi-tion in this specialist market and will provide us with a European manufacturing base for fluid complings."

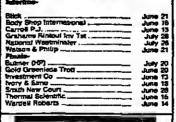
#### Piccadilly Radio

Piccadilly Radio, Manchester-based independent radio station, increased its profits from £253,139 to £537,300 pre-tax for the half year ended March 31 on the back of a 75 per cent improvement in turnover to

The figures were struck after deducting IBA rentals of £239,190 (£196,103) and a £56,000 share of losses of the associate and adding in invest-ment income of £46,700 (£32,937). Earnings rose to 3.05p (1.52p) and the interim dividend goes up to 1p (0.875p). The USM company began the second six months trading strongly.

#### **BOARD MEETINGS**

TOCAY
Interime—Alexanders Midgs, Archimedes Inv
Trass, GYRR, Hambros Advanced Yeah Trust, Hunterprint, Mecca Labore, Nash Inda, North BritIn Seet, PVS, Rediesan, Starge,
Finels-Alked Colloids, Advins Broe, British Land,
Chapman Inda, CML Microsystems, Coalits,
Dwst, Grest Partiand Estates, C E Heath, Hewsson, Metal Box, Norren, Osborns & Little,
Oedord Instruments, Rothschild (J) Hidgs, RovInsen Securities, Yellowhammer,
FUTURE DATES





# Illingworth nears £10m and expansion in mind

shire-based wool textile group, yesterday announced a 26 per cent increase in 1987-88 pre-tax profits to £9.7m on turnover which rose by 4 per cent to

which rose by 4 per cent to 1912m.
Mr Alan Lewis, chairman, described the growth in profits as a reflection of the group's continued investment in its businesses. He said that illingworth was now "talking to several companies" about acquisitions in specialist and branded areas of textiles.

When Mr Lewis took control

When Mr Lewis took control five years ago, filingworth had burched into losses caused by bitter boardroom battles and the severe slump in the Yorkshire

Alan Lewis – talking to sev-



there should be further improve-ments in productivity from its proposed film capital expenditure programme this year.

#### comment

Hilingworth Morris is at a watershed in its development. The long hand of turning the ragbag of wool textile companies, that Mr Lewis bought for a song in 1983, into a resilient textile group is over. The combination of improving productivity. improving productivity; export exposure to the rising Yen rather than the dwindling dollar; and dominant positions in its nicha businesses has belond to achieve another increase in margins. Crombie may be taking longer After a painful period of restructuring it has been restored to profit.

Illingworth is now the single largest company in the Yorkshire wool textile industry with interests in specialist textiles such as the production of tennis ball covers and snooker table cloth. A specialist chemicals company, making lanolin-based products, making lanolin-based products, provides a fifth of its profits.

All the Illingworth companies made a profit during the year, except for the joint top-making venture with Asahi of Japan and the Crombie woollen cloth husiness.

The joint venture has since resently holds stirplus cash in the cash of the progress and there is little chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt from Crombie, so the prospective pie to chance of a sudden spurt hectic progress and there is little chance of a sudden spurt from Crombie, so the prospects for the

# Braithwaite recovers to £3.7m

BY VANESSA HOULDER

nificant presence in the industrial services field, it had created the nucleus of a specialist products division and had also sharply reduced its dependence upon general engineering, be said.

Turnover rose to £30.29m (£8.19m), and earnings per share were 24.8p, compared with a loss of 9p. A final dividend, the first since 1985, of 4.5p is recom-

Mr Andrew Fitton, chief executen months it was included in the tive, described the year as "excellent". Braithwaite now had a significant made.

The engineering division made

The engineering division made about £300,000, taking into account the £100,000 loss sustained by Braithwaite Engineers

The realignment of the com-pany began when Mr Fitton became chief executive in January 1987 after acquiring a 29 per cent stake, with the backing of

Braithwaite Group, the engineering company that has been transformed into an industrial services and specialist products group, yesterday reported pre-tax profits of £3.72m for the year to March 31, together with a return to the dividend list.

Mr Andrew Fitton, chief every the months it was included in the months in the company bought And, rews Group for £27m in May 1987, in a deal financed by a rights insue that increased its market a turn-round from last year when the group rews Group for £27m in May 1987, in a deal financed by a rights insue that increased its market a turn-round from last year when the group rews Group for £27m in May 1987, in a deal financed by a rights insue that increased its market a turn-round from last year when the group rews Group for £27m in May 1987, in a deal financed by a rights in a deal financed by a righ

Since the year end it has acquired SPP, an engineering, specialist products and equip-ment hire business for 131m. a deal financed by a 125m loan. This deal had increased gearing before its sale last December. The to 300 per cent, with interest sale resulted in write-downs and cover of three times. Mr Fitton redundancy costs, recorded in an extraordinary charge of \$305,000. together with proceeds from distogether with proceeds from dis-posals would reduce gearing to below 100 per cent within two

> Interest costs for the year rose from £216,000 to £415,000.

#### SHARE STAKES

Changes in share stakes C announced last week included: in Industry has reduced its hold-Priest Marians Holdings: Mr S. ing from 62 per cent to below 5 Fussel, chairman and chief exec-utive, has purchased 49,345 ordi-has acquired an additional nary shares. His historical inter- 300,000 shares and now holds est, including those parties 1.19m (16.43 per cent). Electra deemed to be in concert with Investment Trust has acquired

shares (63.5 per cent) and Mr Leach and Lynn families pur-Hay's 447,979 (7 per cent). chased 130,000 shares at 100p. Hay's 447,979 (7 per cent).

deemed to be in concert with him, is 3.27m (21.73 per cent).

Bodycote International: Mr Chelsea Artisans: Appleton Hold-Joseph Dwek has sold 100,000 ings has disposed of its entire shares at 270p. His beneficial holding now totals about 2.59m (11.07 per cent).

Seacon Holdings: Mr C. Roth, open the shares at 60p each to Mr I. Hay, managing director. Mr now holds 17,158. Mr Patrick Sin-Roth's interest becomes 4.06m changing director. pur chased 60,000. Members of the shares (63.5 per cent) and Mr Leach and Lynn families pur-

#### HT Hughes up to £1.4m

H T Hughes, the Hampshire based waste management, quarrying and transport hire company, raised its pre-tax profit from £909,000 to almost £1.4m for the year ended February 29 1988. When the company came to the

USM in February via a placing, it forecast a profit of some £1.35m. Mr Bob Merrick, chairman, said he was encouraged by the prospects. A dividend of at least 2.25p had already been forecast

٠:-,

for the current year. Turnover in the past year rose from £8.49m to £11.77m and operating profit from £1.2m to £1.67m. Earnings were 5.7p (3.6p).

#### BROADWELL LAND

Record results for the Broadwell Land Group, for the year ended 31st March 1988.

- 122% to £17.4 million Pre-tax profits UP - 217% to £4.1 million

- Current value of projects £70 million under development at 6 June 1988
- Commercial and residential space under development -1.5 million square feet
- Announcement on timing of proposed USM flotation to be made shortly

| Record         | Period<br>Ended<br>31.3.1988<br>£'000 | Period<br>Ended<br>313.1987<br>£'000 | Period<br>Ended<br>31.3.1986<br>£'000 |
|----------------|---------------------------------------|--------------------------------------|---------------------------------------|
| Turnover       | 17,439                                | 7,845                                | 1,749                                 |
| Pre-tax profit | 4,145                                 | 1,309                                | 72                                    |

The Broadwell Land Group was formed in March 1988 by the merger of Broadwell Land PLC formerly CC Conversions PLC, a company launched under the Business Expansion Scheme in November 1984, and Stride Developments Ltd.

Copies of the Report and Accounts, and Illustrated Corporate Review, are available from:

lain L Shearer Chairman Broadwell Land Plc The Glasshouse 49A Goldhawk Road London W12 8QP Tel: (01) 743 9414

the financial information concerning Broadwell Land Pic does not amount to uil group accounts within the meaning of section 254 of the Companier Act. The accounts, on which the auditors of Broadwell Land Pic have given inqualified reports, have been or will be filed with the Registrar of Companies. This advertisement is published by Phillips and Drew Securities Ltd on behal of Broadwell Land Pic.



to £13.39m

at year-end

Sketchley, the dry cleaning,

workwear rental, office ser-vices and vending and catering

group, yesterday announced pre-tax profits 25 per cent ahead to £13.39m for the year

to April 1 1988, np from £10.67m. Mr Malcolm Glenn, execu-

mr Malcolm Glenn, execu-tive chairman, said the major reconstruction of the company was virtually complete and the concentration oow was on boosting profits. With the sale of its under-performing Cana-dian day cleaning buriness in

dian dry cleaning husiness in January, Sketchley is wholly UK-based again. It sold its US diapers and textiles interests

Turnover rose 38 per cent

from £131.65m to £181.19m. This included a £7.41m contri-bution from the discontinued

Canadian activities, compared with the previous year's discontinued activities of £29.83m, representing both the Canadian and US businesses.

The company has four sec-

The core consumer services

husiness – dry cleaning – made profits of £5.07m (£4.28m) on turnover op 20.3 per cent at £50.63m. With 490

per cent at £50.63m. With 490 shops mainly in the sonth-east and the Midlands, the plan is to add a further 40 this year. The shops are being refurbished and specialist services — curtains, drivets, shoe repairs — heavily advertised. A notential growth area is

A potential growth area is

Breakmate, the "fresh brewed coffee" drink-vending

machine husiness is to be

merged this month with Roboserve, the canteen drinks

and food-vending machines concern acquired last October. Office services reported prof-its of £3.39m (£1.17m) on turn-

over up from £11.31m to £49.23m.

Equipu, acquired in Febru-ary 1987, provides office furni-ture and equipment such as

photocopiers, and Mellordata provides computer peripherals such as screens and laser

Textile services - the sale

and rental of work clothes -showed the smallest rise in profits, from £3.79m to £3.94m

on sales up 12 per cent to

Exceptional items contrib-

nted £984,000 (£214,000), mainly from property transac-

tions. An extraordinary credit of £1.18m - due to the net gain on the disposal of the

Canadian business - com-

pared with a debit the previous year of £2.77m dnc to US disposal costs. Tax took £3.40m (£3m). Earnings per share were 31p against 30.1p and a final divi-

dend of 13p was recommended, making a total for the year of

Dry cleaning is not a growth

husiness in the UK - the French spend twice and the

Americans three times as much on it as the British do.

The average Londoner may

spend £30 a year on dry cleaning but in other not-tobe-mentioned areas the average is a mere £4 per annum. So Sketchley's aim is to boost its

20 per cent market share by

convincing customers of lts superior product - something it has not yet wholly succeeded

in doing. With its workwear

husiness showing flatish growth as the rise of industry

automation hits dirty jobs, the

greater growth this year will probably be sean in the vending and office services

divisions - both fit in well with the company strategy of

providing a wide range of ser-

rices to businesses. Investors have been patient with bread

and butter for some time but

they will soon be looking for

some jam. The shares closed 3p up last night at 393p. A fore-cast of £16.6m for this year from company hroker Hoare

Govett produces a p/e of just

comment

tions now.

# Australian sale aids Borthwicks

Borthwicks, food manufacturer year fell from £134m to £108m, revival in the flavours business, and trader, returned pre-tax prof. which included £32m of Austra but bakery products - mainly and trader, returned pre-tax prof- which included 232m of Austra but bakery products — mainly its of \$511,000 in the half-year to lian and Japanese turnover for cake decorations — experience March 27, compared with £37,000 in the equivalent period and losses of £2.21m in the year to

The company is resuming dividend payments with an unchanged interim of 0.5p. No final dividend was recommended in 1985-87. Earnings per share rose to 0.8p. against a comparable loss of 0.2p. var share

consists of 2474,000 of development costs on the Mango pro-cessed meat project, offset by net-profit of 2571,000 on the sale of the Australian meat processing operation's fixed assets in Janu-

Martin is a second of the seco

Country of the state of the

The state of the s

ared braff.

Calors in

not in Navista

verso cod gg

The same of

Med at

and the case to

, na trada <del>(na</del>)

TEL TEL

lughes

0.75.2

· · · · · · · · · · · · · · · ·

 $-20 \, \mathrm{km} \, \mathrm{S}$ 

1 100 1 100

Completely

......

 $\mathcal{F}_{n,k}^{(i)} = \mathcal{F}_{n,k}^{(i)} + \mathcal{F}_{n,k}^{(i)}$ 

17.0

post di

գուհան

gyfr

أفلاتان سير

1.00

A £588,000 surplus over net asset value on the disposal of the Australian operation and its related Japanese trading business was included as an extraordinary gain. Group turnover for the half-

Aspen expands

via £1.5m

acquisition

made operating profits before central expenses of £978,000, against 21 62m

The virtual elimination of group borrowings, following the sale, led to a reduction in net interest payable from £1.25m to loss of 0.2p per share.

An exceptional credit of Borthwicks said the UK meat division had made major efforts division had made major efforts.

to eliminate last year's loss. The first supermarket sales of the Mango products - processed meat joints and steaks - were expected shortly and convenience stir-fry dishes had just been launched successfully.

Mr Lewis Robertson, chairman, said the international meat and wool trading operations had a

disappointing first half. The com-pany was keeping these divisions

the first four months, compared currency-related difficulties and with 245m in the equivalent six-problems in the commissioning month period. The husinesses of a new plant, leading to a of a new plant, leading to a decline in profits.

#### comment

The excitement which sur-rounded Borthwicks' sale of its Australian interests earlier in the year is gradually being replaced by the realisation that there is still a long way to go. The group is placing its faith in the pro-cessed meat side - Mango (the and stir-fry convenience meals - and hints at the possibility of add-on acquisitions in the flaments could be vulnerable. Preserved between the profits of \$1.5m are forecast tax profits are f secret project's original name) vours and bakery products divi-sions. But huge sales and minute profits from UK and international meat trading mean Borthwicks issappointing first half. The com-pany was keeping these divisions stake-hulding suggests someone may be interested in dismember-ing the group and the 22 per cent

# **Borthwicks**

for the year. The shares - dow ip to 59p yesterday – look fully-valued on a prospective p/e of about 24, but investors who have stuck with Borthwicks through the recent tranmas might be advised to hang on.

Aspen Communications, the USM-quoted company with inter-ests in corporate video, media, mobile communications and spe-

cialist printing, has acquired MASS (Merchandising and Sales Services) from Quaker Oats. Initial consideration is £1.5m in shares. Quaker may receive a further consideration of £600,000 dependent on sales revenue. MASS is based in Southall, Middlesex, and provides a nation-

ANGLOVAAL GROUP

**DECLARATION OF ORDINARY AND PARTICIPATING** 

988

430

32

PREFERENCE DIVIDENDS-

YEAR ENDING 30 JUNE 1988

the Republic of South Africa.

(Note I) ..... Ordinary and "A"

ordinary Middle Wiswatessran

per: E. G. D. Gordon

n Arms) Lim

Aspen's accounting policies) were The contribution from property 5201,000 on turnover of 52.8m for and financial snrged from the 10 months to end-April. War-5534,000 to £1.89m. Mr Gordon ranted net assets at end-May 1988 said the property company, NMC were not less than £480,000.

The contribution from property believes there is great scope to develop the husiness hoth at home and abroad and in the short term the current year was expected to be a good one.

The group had changed the The packaging division's contribution to profits rose 30 per away from reflecting success in cent to \$4.56m (\$3.5m). Mr Northermone of turnover to success in man Gordon, chief executive, producing increased margin and

was £2.21m (£1.48m). Earnings wide field marketing support sermodity packaging, was paying per 12½p share came ont at
moving consumer goods sector.

Its warranted operating profits changing shift patterns and
before tax (adjusted to reflect installing new equipment.

The contribution there is great some to

believes there is great scope to develop the husiness both at

Stark in the Gulf, interest was shown in Pacer's Ballast com-

armed forces, Pacer's core busi ness, accounted for 82 per cent of turnover in 1987 when it lifted pre-tax profits 17 per cent from \$1.8m to \$2.1m (£1.19m). In March the order book was worth \$42m, compared with about \$35m at the

#### Randsworth Trust

Randsworth Trust has agreed to pay £13m cash for the leasehold interest of Legal & General Assurance comprising the base-ment to the second floor of 9/111 Kensington High Street, London Randsworth has been in discus-sions with BhS concerning the store group's proposals to carry out a major refurbishment.

#### CORRECTION Brown (N) Group

Brown (N) Group's board meeting will be held on Thursday June 9, not Friday, June 10 as reported in the FT Financial Diary on Monday.

#### NMC rises to £6.3m and builds packaging capacity

NMC Group said all divisions Profitability had improved subperformed well in the year to March 31 1983 and pre-tax profits rose 50 per cent from £4.21m to 25.32m. Turnover of the group, formerly known as N M C Investments in quality locations in ments, increased 83 per cent from Kent. 527.12m to £49.67m. The

said the policy of identifying spe-cialist areas where margins were Tax peid in the latest period higher, steering away from com-

Dividends have been declared payable to holders of ordinary, preference and participating preference shares registered in the books of the undermentioned companies at the close of business on 24 June 1988. The dividends have been declared in the currency of the Republic of South Africa. Payments from London will be made in United Kingdom Currency and the date for determining the rate of exchange at which the currency of the Republic will be converted into United Kingdom currency will be 4 July 1988, or such other date as set out in the conditions subject in which the dividends are paid. These conditions can be inspected at the registered office or office of the London Secretaries of the companies. Warrants in payment of the dividends will be posted on or about 29 July 1988. The transfer books and registers of members of the companies will be closed from 25 June m. 1 July 1988, both days inclusive. All companies mentioned are incorporated in

41828

30 696

33 263

302.5

160

235

335

160

This declaration represents 5 cents in respect of the flood rate of 5 per cent per annum for the half-year ending 30 june 1988 and 215 cents, being a 50 per cent participation in the final dividend of 430 cents declared on the ordinary and 'A' ordinary stares.

Anglo-Transvaal Trustees Limited

295 Regent Street London WIR BST

133000

32642

30 556

28678

15 579

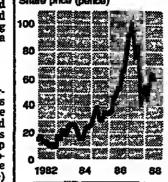
33 332

15579

30 598

legistered Office

Anglovaal House 56 Main Street



#### Pacer warns of profits fall after contracts hitch

By Peter Pearse

Pacer Systems. US-based supplie of military software and suppor services and manufacturer of helicopter airspeed measuring equipment, warned yesterday that pre-tax profits for the cur-rent year would be significantly lower than the \$2.5m previously anticipated.

Pacer said that measures recently announced by the US Defence Department to bring actual spending into line with that anthorised by Congress for the year to September 30 1988 principally involved the deferment of certain contracts until, and possibly beyond, the end of

this month.
Pacer, which in March won the award for the USM's best overseas company, said that the pre-cise impact of the move was not yet clear. However it expected that any deferment in its con-tracts, combined with the disap-pointing performance of its Sea Data subsidiary, would adversely affect profits.

After the missile attack on USS

shown in Pacer's Ballast computer system, which provides ship stahllity management, for all 51 of the Stark class frigates. And in April of this year, the US Navy awarded Pacer a \$20m contract for anti-submarine and sthon payed sixteens systems.

other naval airborne systems.

Systems services to the US same time the previous year.

#### Coal sales upturn helps boost All-round growth lifts Great Western 86% at midway **Sketchley**

per share for class A stock rose from 5.9 cents to 6.2 cents.

The biggest increase in sales came in the coal division where sales rose from from \$24m to \$47m. This is the first interim report fully reflecting the acquisition of the US interests of Bow revolving loan facility is being arranged.

An interim dividend of 2p gross for Class A stock was declared, up from 1.57p last year.

Daily coal production was now averaging 7,099 tons, with oil production at 2,895 barrels per day, and gas at 15,794m cu ft per day. A price dispute with Electric Fuels Corporation, a coal purchaser, was resolved in favour of the company and is reflected in the company and is reflected in the interim results.

undoubtedly reflects the stock's cause class A holders much pain, bid proof character, since the cspecially in consideration of chairman, Mr Daniel Pena, and who hold most of them.

Valley acquisition has now been reduced to \$16.5m. This deht is

Great Western Resources, US-based resources group listed in London, yesterday reported an 85 per cent increase in pre-tax profits to \$7.4m (£4.1m) in the six months to end-March. Sales rose from \$37.9m to \$71.1m.

Net income rose from \$5.2m to \$5.2m to \$5.3m, including a restatement of 1987 due to accounting changes relating to US taxes, Earnings per share for class A stock rose ings quality of the financially conservative company that Great Western has become. A prospective p/e in the range of 9.5m. based on oet income of \$16.5m for the year hardly does the company justice, especially with the prospect of additions to gus reserves funded easily by strong cash flow from the profitable coal operation. Investors may have to Great Western Resources is one of the few oil stocks that has value, hnt an eventual resolution of the October crash. Tooks B shares is unlikely to undoubtedly reflects the stock's cause class A holders much pain, bid-proof character since the crasically in consideration of

Separate listing

for US business

of FKI Babcock

FKI Babcock, the electrical and

engineering company formed last summer when FKI Electricals bought the much higger Babcock

International, is planning to seek a separate listing for its North

According to Mr Tony Gar-tland, FKI chief executive, the

rationale for the move is "to get the best out of what is a separate

husiness from the rest of our

Mr Gartland argued that it

activities".

American business next year.

#### Sheraton doubles payout as profits soar to £11m

Sheraton Securities International followed up the £2.3m were £3.54m (£4.86m), interest charges were £3.54m (£2.32m) and interest capitalised £3.34m (£1.86m).

The directors said the doubling of the dividend (the final is 1.75p) the year to March 31 1988 compares with £4.65m previously.

The dividend is being doubled to 2.25n.

All followed up the £2.3m were £3.54m (£2.32m) and interest charges capitalised £3.34m (£1.86m), interest charges the final interest charges and fine final interest charges and fine final interest charges and fine final interest charges the final interest charges and fine final interest charges are final final interest charges and fine final interest charges and fine final interest charges are final final interest charges and final final interest charges are final final

2.25p.

The group is engaged in property investment and dealing. The results reflected strong development activity, the directors said. This was continuing into the cur-rent period with demand from tenants and investors running at high levels.

in the year under review gross rents improved to £1.69m (£1.35m), while property sales and related activities soared to £31.4m (£19.72m). Net property income worked through to

EVE GROUP has acquired C.G.S. Engineering from Mr Derrick Greetham. The company speci-alises in the fabrication of steel

towers for overhead transmission

FOSECO-MINSRP has paid £1.2m

for the outstanding 5 per cent of Spanish metallurgical chemicals

MARLEY: Chairman told annua

meeting that current year had started well and profits would

comfortably exceed those of 1987.

Demand for company's products remained huoyant and volumes

is acquiring Quality Inspection Services for £900,000 cash from

Foster Wheeler (Power Products).

company, Foseco Espanola.

Mr Peter Taylor, managing director, said the medium term development programme -where completions were expected in the next two to three years -was estimated to have a completed value of £350m. "We anticipate that surpluses towards £60m will flow from these projects and this should ensure continuing

6.8p (3.5p) basic and 6.7p (3.4p) of the US business rather than fully diluted.

Shareholders' funds at the year lt would also allow acquisitions end totalled some £45m (£34m).

It would also allow acquisitions to be made in the US without recourse to the UK equity marend totalled some £45m (£34m).

#### would allow US managers to be rewarded with share option growth in profits." Earnings for 1987-88 came to schemes tied to the performance

ket, and focus investors' atten-tions on the value of the FKI Babcock group as a whole. COMPANY NEWS IN BRIEF CARADON said 6.72m shares POWELL DUFFRYN has acquired were to be issued to finance part Ellis Tylin, a building engineer-The precise timing of the flota-

> PROPERTY SECURITY Investment has sold Certihilt Invest-

ments for £3m. Its only asset was a leasehold property valued at £1.75m on March 31 1987. lines and communications and produced a turnover of £1.5m. G. & G. KYNOCH (woollen cloth H&J QUICK has bought a 2.6 acre manufacturer): Pre-tax profits main road site at Althrincham to for six months to February 29, relocate its Ford main dealership.

cleaned at Sketchley.

Vending services contributed profits of £3.38m (£976,800) on sales of £39.92m (£17.74m).

IOT SIX months to February 29, 1988 were £11,299 (£8,740). Tax The existing site will be sold.

£5.825 (£6,433) and loss per 25p share 1.7p (2.2p). Interim dividend 1p (same). Turnover £1.27

TURRIFF CORPORATION has a west Midlands company sent to them shortly about the

of the cost of huying Everest. ing services maintenance group, Existing shareholders applied for 5.89m, some 87.7 per cent of the shares in the placing and offer.

EVE GROUP has acquired C.G.S. national basis. tion on the New York Stock

Stockbrokers predict that pre-interest profits for the US businesses will amount to around \$80m on turnover of some \$700-\$725m in the year to April 1989. The husinesses include the Kee-ler furniture hardwear company, an automotive moulding com pany, and a control equipment

company.

FKI shareholders will be told of engaged in precision trench dig-ging. Consideration is £500,000 and factory automation and food-with further amounts based on processing company.

profits. Vendors have warranted FKI's shares reprofit of at least £100,000 for 1988. to close at 127p. FKI's shares rose 5p yesterday

#### Public Works Loan Board rates

| Demand for company's products remained huoyant and volumes |                          |            | ective Ju<br>ans repaid | INC 3      | a loans A° re | paid      | at      |
|--|--------------------------|------------|-------------------------|------------|---------------|-----------|---------|
| were up to expectations. How-                              | Years                    | by EIPt    | Att                     | materity.  | by EIPt       | Att       | maturit |
| ever, continuing weakness of the                           | 1                        |            |                         | 9          |               |           | 9%      |
| dollar was expected to adversely                           | Over I up to 2           | 9          | 9%                      | 9%         | 10            | 10%       | 9%      |
| affect the group's activities in the                       | Over 2 up to 3           | 9%         | 9%                      | 91/4       | 10%           | 10%       | 10      |
| US.  | Over 3 up to 4           | 9%         | 914                     | 9%         | 10%           | 10%       | 10%     |
| MOSS TRUST has contracted to                               | Over 4 ap to 5           | 9%         | 91/4                    | 9%         | 10%           | 10%       | 10%     |
| purchase 98 per cent of Ash                                | Over 5 up to 6           | 91/4       | 91/4                    | 91/2       | 9%            | 9%        | 10      |
|  | Over 6 up to 7           | 9%         | 9%                      | 91/2       | 9%            | 9%        | 10      |
| Gupta Communications Group,                                | Over 7 up to 8           | 9%         | 9%                      | 9%         | 9%            | 9%        | 10 %    |
| an Edinburgh-based advertising,                            | Over 8 up to 9           | 9%         | 9%                      | 9%         | 9%            | 9%        | 10 %    |
| creative services and public rela-                         | Over 9 up to 10          | 9%         | 91/2                    | 9%         | 9%            | 10        | 10%     |
| tions agency. Initial consider-                            | Over 10 up to 15         | 9%         | 9%                      | 91/2       | 10%           | 10%       | 10      |
| ation is £300,000 in 250,000 ordi-                         | Over 15 up to 25         |            | 91/4                    | 91/2       | 10%           | 10        | 10      |
| nary shares and £100,000 cash.                             | Over 25                  | 91/2       | 9%                      | 9%         | 10            | 9%        | 9%      |
| Further profit-linked consider-                            | *Non-quota loans B       |            |                         |            |               |           |         |
| ation is payable in shares.                                | loans A. †Equal instalme | nts of pri | ncipal. †               | т Керауппо | mi by hai     | f-yearly  | annui   |
| OILFIELD INSPECTION Services                               | (fixed equal half-yearly | payments   | io puch                 | ide princi | pal and ic    | oterest). | 5 Wi    |
|  | half-yearly payments of  | interest o | nly.                    |            |               |           |         |
| is acquiring Quality Inspection                            |                          |            |                         |            |               |           |         |

This votice is issued in compliance with the requirements of the Council of The Stock Embange.

It does not consists an invitation to the public to subscribe for or purchase any securines.

#### GRANADA GROUP PLC

Issue of up to 53,667,524 7.5p (net) New Convertible Preference Shares

of 10p each in connection with the acquisition of

#### **DPCE** Holdings plc

5,400,000

7.5p (act) New Convertible

Preference Shares of 10p each

The Council of The Stock Exchange has admitted up to 53,667,524 7.5p (oct) New Convertible Preference Shares of 10p each to the Official List. Listing Particulars relating to the shares have been circulated in the Extel Statistical Service and copies of the Listing Particulars may be obtained during usual business hours up to and including 9th June, 1988 from the Company Announcements Office of The Stock Exchange and up to and including 21st June, 1988 from:—

Granada Groom PLC 36 Golden Square London W1R 4AH

S. G. Warburg & Co. Ltd. 33 King William Street London EC4R 9AS

Bourne House 34 Beckenham Road Beckenham Kent BR3 4TU

Ravensbourne Registration Services Limited

Hoare Govett Corporate Finance Limited

S. G. Warburg Securities

7th June, 1988

Issued and fully paid

Up to 5,366,752

# **Hazlewood Foods PLC**

for Hazlewood Foods PLC.

COUNTY NATWEST

& The NatWest Investment Bank Group

through its wholly owned subsidiary, Weseke Holdings GmbH, has acquired Feldhues GmbH, Metelen, West Germany.

The undersigned initiated and advised on this transaction

# Coffee prices leap on fear of frost damage in Brazil

FEARS THAT a weekend frost zil's prime growing regions sowed panic throughout the colfee market yesterday morning and drove London prices to the highest levels since early March. Later, however, it was established that no serious damage had been done and prices eased.

Early reports claiming that in Parana, an important coffee growing region, 30-40 per cent of coffee bushes had been damaged, pushed the September position on the London futures market to £1,195 a tonne. But later in the day, when the reports were found to be greatly exaggerated, it set-tled back to close \$29 up on bal-

losses is just that - talk.

to warm up and could hold until the next cold front arrives, probably by Thursday or Friday," Mr Timm added.

Seginning areas of Sao Paulo state and southern Minas Gerais, "it would be an entirely different matter," he added.

The Brazilian of Sao Paulo state and southern Minas Gerais, "it would be an entirely different matter," he added.

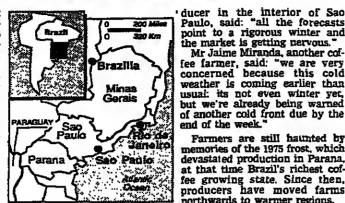
aysia have breached the psychologically important level of 18

ringgit a kilogram and are now at their highest levels since the col-lapse in the world's tin markets

eight cents to 18.12 ringgit.
While the price rise has not been as pronounced in tin as in other commodities. Malaysian producers say the trend is very positive and is in line with fundamental trends.

As a result of the rationalisa-

BY WONG SULONG IN KUALA LUMPUR



ance at £1,163.50 a tonne.

Mr Jochen Timm, a partner in accounted for a relatively small Brazil'a Stockler export house, proportion of Brazilian coffee proexplained. "We had low temperatures during the last few nights and we did have some frost-bite on soma leaves in low lying areas or op, which is vulnerable to frost in Parana: but talk of of buge or the next few months.

We frost ent into the main coffee or the last of the service of the service or the next few months.

If frost got into the main coffee

in London, Mr Rob de Jong of of a colder winter than usual this the E.D. & F. Man trading house year. Dr Fabio di Giorgi, a pro-

Malaysian tin values recover

late in 1985.

On the Kuala Lumpur Tin Market, the price rose nine cents to 18,04 ringgit a kilogram last Friday, and yesterday added another eight cents to 18,12 ringgit.

While the price rise has not approach in the current price. 170,000 tonnes.

The market is also being cost is only about 15 ringgit a broyed np by reports that US kilogram.

Meanwhile, the Kuala Lumpur of tin for immediate delivery as a Commodities Exchange has result of reduced Chinese announced that with immediate exports. China, which was effect, the size of its tin futures believed to have contract has been increased from

tion programme of the seven-na-tion Association of Tin Producing Countries, consumption is now greater than supply and the over-

UK supports Opec's \$18 a barrel target

MR CECIL PARKINSON, tha ident Suharto, on a four-day visit production from its major North

tion of Petroleum Exporting outside Opec, it was effectively appear to represent a shift in the Countries' efforts to stabilise oil alding the group's efforts to Government's previously rather prices at around \$18 a barrel, Reuter reports from Jakarta.

This was because the UK's own cartel. However, the minister

Reuter reports from Jakarta.

This was because the UK's own cartel. However, the minister output was gradually falling as held out no offer of positive help.

Close Previous High/Low

Energy Secretary, said yesterday to the country, Mr Parkinson Sea oilfields declined, that he supported the Organisa- said that although Britain was Mr Parkinson's co

PRICES OF physical tin in Mal-aysia have breached the psycho-40,000 tonnes, is being whittled They point out,

Why Japan plans cuts in copper production ducer in the interior of Sao Paulo, said: "all the forecasts point to a rigorous winter and the market is getting nervous." Mr Jaime Miranda, another cof-fee farmer, said: "we are very concerned because this cold By Kenneth Gooding, Mining Correspondent

SHORTAGES OF copper concentrate (material supplied by the mines which is 25 to 40 per cent copper) are responsible for the substantial cuts in out-put planned by Japonese smelters, suggests the Metals and Mineral Research Services

concerned because this cold

weather is coming earlier than

Farmers are still haunted by memories of the 1975 frost, which devastated production in Parana

at that time Brazil's richest con

fee growing state. Since then, producers have moved farms northwards to warmer regions.

The Brazilian Coffee Institute is forecasting a harvest of 20.4m

bags (60 kg each) this year, although many farmers insist that it will be no more than 18m bags. That harvest is already safe

from frost, but some farmers are warning that if the weather gets

worse it could damage the forma-

tion of buds for the 1989 crop.

More immediately, commente

Mr de Jong, the appearance of a Brazilian frost so early in the sea-son might bring a profound change in market sentiment,

which for so long had been weighed down by a welter of

They point out, however, tha

down at a rate of between 1,500 Malaysian miners, who are high-

tonnes and 2,000 tonnes a month. cost producers because of their When the market collapsed late low grade ores, are "quite comin 1985, the overhang was about fortable" with the current price,

believed to have exported 18,000 contract has been increased from tonnes last year mainly to the one to five tonnes. This will US, agreed to trim its sales to reduce the cost of trading and

10,000 tonnes this year, following facilitate arbitrage if and when complaints by the ATPC. the London Metal Exchange

complaints by the ATPC. the London Metal Exch.
Malaysian officials bope the finally resumes tin trading.

It points out that the Japa-nese Ministry of International Trade and Industry has fore-cast a 7.5 per cent fall to 905,000 tonnes in refined cop-

per production in Japan for the 1988-89 fiscal year.

MITI says the cuts are needed to avoid "possible over-supply" because of largescale imports of refined metal In the latest edition of Base Metal Concentrates, MMRS suggests: "this reasoning is not entirely credible: large-scale imports of refined copper were needed last year and are certainly required now, pre-cisely because Japanese smelters cut back ontpot in the first

Japan imported 347,665 tonnes of refined copper in the 1987 calendar year and at the moment imports are running at a rateequal to an annual 470,000 tonnes. Japanese con-sumption of refined copper rose by 5.3 per cent last year and current demand growth is

above 4 per cent.

"At presently high copper prices — and in the light of good local consumption levels — it is surprising that Japanese smelters responded hy cutting ontput," states MMRS. It suggests that the Japanese companies would prefer to run their smelters at below capacity rather than create further demand for concentrate and risk pushing up the price of their raw material.

Among the cuts announced for the first half of 1988-89 noted by MMRS are one of 2,900 tonnes a month by Nippon Mining to 20,140 tonnes and one of 6.3 per cent to 17,900 tonnes a month by Mitsubishi Metal. Sumitomo Metal plans to produce 70,500 tonnes in the six months, a cut of 4,000 tonnes

Base Metal Concentrates," Published by Metals and Min-eral Research Services group, 222 the Strand, London WC2R 1BA\_£600.00 o year.

#### (LIE WAREHOUSE STOCKS (Change during wook ended list Friday) tolinos Akuminsum standard +4,575 to 40,525 + 12,250 to 41,300 + 800 to 2,946 - 200 to 37,425 - 260 to 18,815 Silver (oz). + 102,000 to 16,904,000

**WORLD COMMODITIES PRICES** 

# Tilting at EC cereal windmills

A FEW YEARS AGO, the pros-pect of deliberately producing less food from a farm than its known capability would have been unthinkable. Now, given the right incentive, many farmers might welcome the idea. Most farmers, myself included.

concentrated in the past almost entirely on maximising produc-tion. We were reared and trained through the era of the ration book; encouraged by politicians bent on import substitution; and were paid - in part at least -according to a system of pre-set guaranteed prices which had lit-tle to do with supply and femand.

When the guarantee system rewarded quality as well, farmers responded providing the exercise stood a fair chance of showing a profit. But if, as in many cases, there was no such incentive, the commercial priority was yield

Before Britain joined the European Community, L'K food production covered not much more than balf domestic demand, thereby ensuring a market for all the industry could produce. After British accession and the development of surpluses in some commodities, the intervention store was always there for that proportion of production not immediately required by the marcet, while guaranteed prices continued to insulate large sectors of agriculture from the reality of

the market place. It was not that farmers were unaware of the growing cost and unacceptability of food surpluses: they were. But while prices failed to reflect the growing problem. and in the absence of government guidance, many saw little point in changing their policies. Then milk quotas were imposed on April 1, 1984.

It was a fundamental change of direction and was greeted with a mixture of anger and fear by measure to control production of farmers, many of whom had never seriously contemplated rently in the most embarrassing

FARMER'S I might be a little more enthusiastic if the minuser decided to opt for grazing on set-aside land, but, in view of the policing problems of implementation caused by milk quotas, most dairy farmers have come to regard them as essential to their future prosperity and can be a surplus in Europe. It will not be a significant to the livestack sector, this seems unlikely. I would also consider the scheme more surplus in Europe. It will not be a significant to the possible knock-on offert to the livestack sector, this seems unlikely. I would also consider the scheme more surplus in Europe. It will not be a significant to the possible knock-on offert to the livestack sector, this seems unlikely. I would also consider the scheme more supplied to the possible knock-on offert to the livestack sector, this seems unlikely. I would also consider the scheme more supplied to the possible knock-on offert to the livestack sector, this seems unlikely. I would also consider the scheme more supplied to the possible knock-on offert to the livestack sector, this seems unlikely. I would also consider the scheme more supplied to the possible knock-on offert to the livestack sector, this seems unlikely. I would also consider the scheme more supplied to the possible knock-on offert to the livestack sector, this seems unlikely. I would also consider the scheme more supplied to the possible knock-on offert to the livestack sector, this seems unlikely. I would also consider the scheme more supplied to the possible knock-on offert to the possible knock-on offert to the livestack sector, this seems unlikely. I would also consider the scheme more supplied to the possible knock-on offert to the livestack sector, this seems unlikely.

regard them as essential to their future prosperity and can indeed hardly bear to contemplate losing

In return for accepting a cut in production, milk producers receive a guaranteed price that is

David Richardson. who farms 950 acres in Norfolk, begins a new fortnightly series of articles

slightly higher than it was before the quotas. Furthermore, dairy farmers can for the first time cal culate not just how to produce the most milk but how to produce a specific quantity most eco-

According to a number of agencies which record profitability, milk is one of the very few commodities to be enjoying modestly improved production margins over the last few years.

Against this background, Mr John MacGregor, the Minister of Agriculture, is this week negotiating final details of the latest

means taking a proportion of that time.

There is little doubt, in fact, that the minister is well aware of unwanted crops. Within the next the likely reservations of those

The regulation, which all EC member states are required to implement by July 14, allows individual ministers a great deal of flexibility. For instance, compensation can be apprehime for the compensation can be apprehimed for the compensation can be app individual ministers a great deal of flexibility. For instance, compensation can be anything from introduction of voluntary set-

widely discussed is around £200 It is far more likely, in my view, per bectare, and it is expected that set-aside will only have a that the minister will plump for cosmatic impact and that within that. Whether that level of compensation will persuade many system of statutory quotas for EC farmers to join the scheme, given cereals. As a positiva and swift contains mechanical many contains mechanical mechanical many contains mechanical many contains mechanical mech

in. "There hasn't been a Sharav

like this since May 1941," said Mr

Naftali Yariv, an Agriculture Ministry official, who tried to add up the potential losses already reported. Expected sales of tem-

perate fruit, such as apples, alone are likely to be pruned back by

some \$20m. Persimmon and

mango crops were both reduced by 80 per cent, costing another

Nor did Israel's biggest fruit industry of all - citrus growing

- escape unscathed. Forecast exports of 1.5m tonnes are expec-

ted to be down by 30 per cent.

of meeting my general farm over-heads and, given the conditions, there would be little scope for cost economies in labour and

disappointment of many cereal sider the scheme more carefully growers who have watched their basic guarantees decline by 7-8 per cent over the last three years, while dairy farmers have prospered.

The European Community has settled on voluntary set-asides—an idea and a name from the US—which in its simplest form the use of the requirements laid down by the EC is that at least 20 per cent of a farm's total acreage must be committed to the scheme for five years and in my view that is too big a gamble, given the possibility of improving margins within that time.

few days, Mr MacGregor is expec-ted to unveil the level of compen-sation to be paid to farmers who join the scheme and whether or not he will take up the option to makes them marginal producers. permit farmers to graze their set. The fact that a limited response aside land, which is allowed will have a minimal effect on under EC regulations.

Overall national production may

desired, be varied according to the quality of the land. ne quality of the land.

In Britain, the figure most doubt if it will turn out that way. that they will be expected to means of reducing production plant a green cover crop and instead of continued cereal supmaintain hedges and ditches, is another matter.

The port price cuts, that would suit me very well.

# Heat ruins Israeli avocado crop

BY ANDREW WHITLEY IN JERUSALEM

THE WORST May heatwaye in flowered. As appeals for governmearly balf a century has ment assistance pour in from the destroyed much of Israel's impor-country's farmers. Mr Arieh tant avocado crop, together with Nehamkin, the Minister of Agriother high value fruits, such as culture, yesterday asked the persimmons and mangos. In con- Knesset, Israel's parliament, to sequence, supplies of avocados to expedite passage of an amendwestern Europe are expected to
be severely affected this autumn
and winter, pushing up retail
prices and elbowing Israel out of
a market in which it has come to
dominate over recent years.

tioos which struck Israel last 15,000 tonnes. "There is nothing month. The hot, sand-laden desto do the damage is irrevarsible. month. The hot, sand-laden des-ert winds struck the avocado We can only wait for the 1988-89 crop at its most crucial stage of season," said Mr Haim Keller, of growth, immediately after it had

about 70,000 tonnes in the season
Preliminary estimates from the
Israel Ministry of Agriculture
indicate that lost sales will
exceed \$130m (£72m) as a result
betting boardagreech believes

the withering Hymnin condi-

Farm pollution increases By Richard Mooney According to the Ministry o FARMERS IN England and Wales Agriculture, the forthcoming sea-son had been expected to be a caused a record 3,890 incidents of good year all round for fruit and vegetables until the Hamsin (known in Hebrew as Sharm) set

river pollution last year, a report by the Water Authorities Associ-ation shows, That was a 13 per cent increase from 1995. In the majority of cases pollu-tion was caused by cattle farm-ing, but silage effluent and slurry also gave cause for concern. The report noted that undiluted farm slurry was, in terms of oxygen demand, up to 100 times more polluting than untreated sewage.

The whole industry must take even more seriously the effect of pollution on the environment. of State for Agriculture, in bis foreword to the report . "1988 must be the year when the farming industry gets really tough with pollution

# **LONDON MARKETS**

News of a sharp rise in London Metal Exchange lead stocks last weak prompted e shorp fall in the price of the metal yesterdoy. Depite steadying in the afternoon the cash price ended £13.50 down at £364 o tonne, virtually aliminating the relly of Thursdey and Fridey. Freez availability of nearby supplies following the announcement of a 12,250 tonnes stocks rise to 41,300 tonnes was also reflected in a narrowing of the cash premium over three months lead from \$23.25 to \$17.50 o tonne. An LME stocks risa was also largely responsible for a lett in oluminium prices. But traders remoined nervous about the evailability of supplies and the merket eleaded towards the close. Zinc prices were trimmed back modestly tollowing lest week's big gains but copper continued on its upward course. London suger prices followed the New York morkat to 4-month highs in tha morning but wera trimmed in the

|   | _  |                         |
|---|--|-------------------------|
| SPOT MARKETS  |  |                         |
| Crude oil (per barrel FOB)                          |  | + 07 -                  |
| Dubsi<br>Brent Bland<br>W.T.I.(1 pm est)            | \$14.40-4 45u<br>\$18.25-8.35<br>\$17.38-7.41u | -0 12<br>-0.15<br>-0.19 |
| Oil products (NWE prompt d                          |  |                         |
| On brooken living brombi n                          | chadrà bar m                                   | + 01 -                  |
| Premium Gasoline                                    | \$196-168                                      | -1                      |
| Gas Oil (Soviet)                                    | \$139-141                                      | •1                      |
| Heavy Fuel Ot1                                      | \$75-76<br>\$164-168                           | -1<br>-2                |
| Naphtha<br>Petroleum Argus Estimates                | 3104-100                                       | *                       |
| Other   |  | + or -                  |
| Gold (per troy oz)                                  | \$463.25                                       | 1.00                    |
| Silver (per troy oz)                                | 732c   | -1                      |
| Platinum (per troy ozi                              | 5012.5<br>5133.0                               | +40                     |
| Palladium (per troy cz)                             |  | + 3.5                   |
| Aluminium (free market)                             | \$3965<br>1055a - 118c                         | -15<br>+3               |
| Copper (US Producer) Lead (US Producer)             | 35 Dc  | -0.5                    |
| Nickel (Irae market)                                | 685c   | + 10                    |
| Tin (Eutopean free market)                          | 23940  | +5                      |
| Tin (Kuala Lumpur market)                           | 18.12r   | + 0.06                  |
| Tin (New York)                                      | 332.5c   | + 2.5                   |
| Zinc (Euro, Prod Price)<br>Zinc (US Prime Western)  | \$1157 5<br>62.125c                            |                         |
| Centle (live weight)†                               | 118.27p  |                         |
| Sheep (dead weight)†                                | 235 45p  |                         |
| Pigs (live weight(†                                 | 72.04p   |                         |
| London daily sugar (raw)                            | 5258 By  | + 4.9                   |
| London daily sugar (white)                          | \$265.0y                                       | +30                     |
| Tate and Lyle export price                          | £251.5   | +3.0                    |
| Barley (English feed)                               | £107.5   | + 1.0                   |
| Maize (US No. 3 yellow)<br>Wheat (US Dark Northern) | £137.5<br>£106.25y                             |                         |
|   |  |                         |
| Rubber (spot) ** Rubber (July) **                   | 85 00p<br>90,00p                               | ± 1.80<br>± 1.00        |
| Rubber (Aug)♥                                       | 00 50p   | +100                    |
| Rubber IKL RSS No 1 July                            |  | + 0.5                   |
| Coconut oil (Philippines)§                          | \$560y   | +5                      |
| Paim Oni (Malaysian)5                               | \$468.25                                       | <b>- 18.75</b>          |
| Copra [Philippines(§                                | \$380<br>£207                                  | <del>+</del> 12         |
| Soyabeens (US)<br>Cotton "A" index                  | 86.75c   | +0.25                   |
| Wooliops (64s Super(                                | 650p   |                         |
| £ a tonne unless otherwise                          | stated, o-pan                                  | ce/kg.                  |
| c-cents/ib. r-ringgitkg. u-J                        | uly, x-Jul/Au                                  | g. s. May/              |
| Jun 2-Aug. y-Jun/Jul 1Mea                           | it Commission                                  | ) Waterage              |
| fetalock prices ' change in                         | om a week as                                   | o. WLon-                |
| don physical market, 6CIF                           | Rotterdam. 4                                   | P Bullion               |

| -              |
|----------------|
| price<br>for   |
| -              |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
| June           |
| erage          |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
| White          |
|                |
|                |
|                |
|                |
|                |
| White<br>1485, |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |
|                |

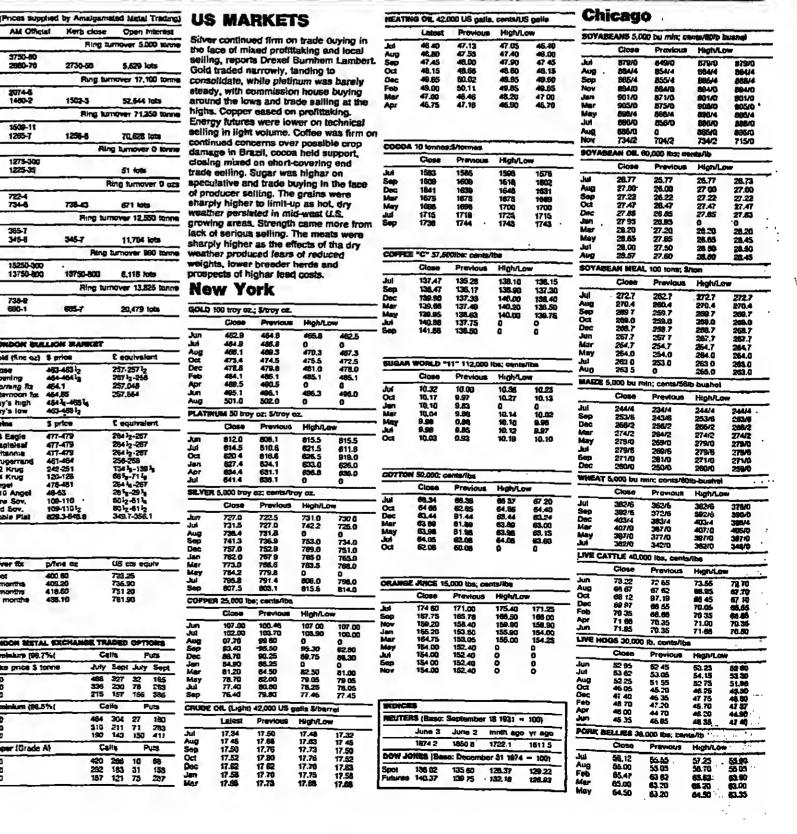
Turnover: Wheat 159 (238) , Barley 73 (58)

| LIGHT.         |                          | a source         | HITCH.  |                          | ILLICOR SUP                  | MARC OF WHIM               | <b>JOHN</b> | 400            |                 | t recent   |
|----------------|--------------------------|------------------|---|--------------------------|------------------------------|----------------------------|-------------|----------------|-----------------|------------|
|                | Clo                      | 10               | Previous  | High/Low                 | AM Office                    | at Kerb                    | ciose       | _ 0            | pen l           | Interest   |
| Aband          | elum, 96.7               | % persyy (S      | bat, sound)   |                          |                              | F                          | ling tu     | mov            | er 5.0          | 100 10nn   |
| Cash<br>3 mor  | nthe                     |                  | 3950-70<br>2750-60  |                          | 3750-80<br>2680-70           | 2730-5                     | 8           | 5              | 629 k           | ots        |
| Abami          | nhan,98-57               | purity (C        | per tonne)  |                          |                              | R                          | ng tur      | nove           | 17,1            | 100 tom    |
| Cesh<br>3 mor  |                          |                  | 2195-205<br>1514-15   | 2075<br>1505/1458        | 2074-6<br>1460-2             | 1502-3                     |             |                | 2,644           |            |
| _              | e, Grade A               | Aff per tor      |   | 100011400                | 1400-6                       |                            |             |                | _               | 60 tonn    |
| Cash           |                          | - (2 po. 1-      | 1535-40   | 1610                     | 1509-11                      |                            |             | -              |                 |            |
| 5 mor          |                          |                  | 1267.5-8.5  | 1276/1255                | 1265-7                       | 1256-8                     |             | _              | 626             |            |
|                | r, Stander               | d (I per to      |   |                          |                              |                            | Ain         | g pyr          | nove            | O tonn     |
| 2 coch         | TO SETTI                 |                  | 1290-310<br>1230-50   |                          | 1275-300<br>1225-35          |                            |             | 51             | fots            |            |
| Siver          | (US cents                | fine ounce       | 1)  |                          |                              |                            | P           | ing t          | UTTO            | ver 9 az   |
| Gesh           |                          |                  | 732-4   |                          | 722-4                        |                            |             | _              |                 |            |
| 3 mox          | E per tons               | -                | 744-8   |                          | 734-6                        | 738-43                     |             | _              | 1 lot           | SO tenn    |
| Cash           | c par war.               | <del>-</del>     | 375-8   | 367                      | 365-7                        |                            | - William   | -              | 12,0            | 50 K2141   |
| 3 mor          | ths                      |                  | 353-3.5   | 352/344                  | 345-6                        | 345-7                      |             | _11            | ,704            | lots       |
|                | (5 per ton               | (mg)             |   |                          |                              |                            | Ring 3      | hrno           | ver D           | 60 tonn    |
| Cash<br>3 mor  | iths                     |                  | 14900-5100<br>13550-500   | 15300/1520<br>13900/1370 |                              | 19750                      | 800         | 6.             | 118 X           | ots        |
| Zinc (         | E per tonne              | 1                |   |                          |                              | Ri                         | ng turi     | OVE            | 13,8            | 25 tann    |
| Çesti<br>3 man | aths.                    |                  | 740-5<br>663-4  | 690/651                  | 738-9<br>690-1               | 685.7                      |             | 20             | .479            | lobs.      |
| _              |                          |                  |   |                          |                              |                            |             |                |                 |            |
| POTA           | OES Ehon                 | ne               |   |                          | LONDON BU                    | LION BAR                   | KET         | _              | _               |            |
|                | Close                    | Previou          | s High/Low  |                          | Gold (fine oz)               |                            |             | _              | ulvak           |            |
| Nov<br>Feb     | 01.5<br>101.5            | 92.0             | 92.5 90.  | 9<br>5                   | Clase<br>Opening             | 453-463 2                  |             |                | 257 ½<br>2-258  |            |
| Apr<br>May     | 137.D<br>148.0           | 139 9<br>150.0   | 138.0 136.<br>146.8 146.  |                          | Morning for<br>Attennoon for | 464.85                     |             | 257.0<br>257.0 | 045             |            |
|                |                          |                  | 100 tonnes.   | <u> </u>                 | Day's high<br>Day's low      | 454 4-465 kg<br>463-465 kg |             | 201.           | ~~              |            |
|                |                          |                  |   |                          | Coins                        | S price                    |             | € 00           | ובעונו          | कार        |
|                |                          |                  |   |                          | US Eagle<br>Maplelesi        | 477-479<br>477-479         |             |                | 2-267<br>2-267  |            |
| OYAB           | EAN NEAL                 |                  |   |                          | Britannia                    | 417-479                    |             | 2641           | 2.257           |            |
|                | Close                    | Previous         | High/Low  |                          | Krugerrand<br>1/2 Krug       | 451-464<br>242-251         |             | 134            | 3-139           | 12         |
| ug<br>lug      | 175 00<br>166.00         | 155.00<br>155.00 | 194.00 162  | .00                      | M4 Krug<br>Angel             | 120-125<br>476-451         |             |                | -71 4<br>4-267  |            |
| oct<br>lec     | 169.50                   | 155.50<br>158.80 | 156.00 156,<br>166.00 153.  |                          | 1/10 Angel<br>New Sov.       | 48-63<br>109-110           |             | 20             | -29 %<br>-61 %  |            |
|                |                          |                  | 100 tannes.   |                          | Old Sov.                     | 109-11012                  |             | 80 h           | -61 ½<br>7-356. | !          |
| REGI           | IT FUTURE                | 3 \$10/Inde      | z point   |                          | Noble Plat                   | 829.3-649.8                |             | 349.           | 7-356.          | <u>'</u>   |
|                | Close                    | Previous         |   |                          |                              |                            |             |                |                 |            |
| )<br>Cat       | 1199.0<br>1310.0         | 1205.0           | 1310.0 129  |                          |                              |                            |             | _              |                 |            |
| en<br>Of       | 1322.5                   | 1317 5           | 1322.5 1304<br>1380.0 1350  | 5.0                      | Sever fix                    | print oz                   |             |                | ನಶ ಕರ           | MA         |
| řΪ             | 1295.5                   | 1303.5           | 1009.2 140  | 40                       | Spot<br>3 months             | 400.60<br>405.20           |             | 736.9          |                 |            |
|                | er 199 (27               | <u></u>          |   |                          | 6 months<br>12 months        | 418.50<br>435.10           |             | 751 2<br>761 5 |                 |            |
|                |                          | 7                |   |                          |                              |                            |             |                |                 |            |
| TEA            |                          |                  |   | Т.                       |                              |                            |             |                |                 |            |
| 23,833         | packages                 | on offer in      | auction there studing 7.000   | 1 2                      | CHOCK META                   |                            | _           |                |                 |            |
|                |                          |                  | rokers Associated in the control of | and .                    | Ligariatura (99.             |                            | -July       | _              |                 | Sept       |
| COMO           | ry medium<br>etition and | East Africa      | ed 3-5p while t   | 6000 L .                 | Strike price \$ 1            | OI 4 ID                    | -           | 327            | 22              | 165        |
| ruled          | firm to dea              | rer. Centr       | Better quality  | re :                     | 2706<br>2960                 |                            | 336         | 230<br>157     | 78<br>156       | 263<br>386 |
| Caylo          | ns sold we               | II at firm to    | dearer rates  | buž j                    | Duminium (98.                | 5%(                        | Cal         |                |                 | PUTS .     |
| Offsho         | ore teas we              | re quite w       | eli supported i   | with :                   | 2500                         |                            |             | 304            | 27              | 180        |
| deare          | r, plainer t             | vpes were        | et Kenyes mo<br>unchanged wi  | here :                   | 2700<br>2900                 |                            |             | 211<br>143     | 71<br>150       | 283        |
| sold,          | Quotanone:               | quality 14       | 8, medium 190   | low I                    |                              |                            |             | _              |                 |            |

Copper (Grade A)

Calls

68 1\$3 237



75 24 19

10

306 1

TOTAL VOLUME IN CONTRACTS : 29,017 B- Sid C-Cati P-Pat

**BASE LENDING RATES** 

5 20

3 50 2 50

1.70 2.00 4 8.50

EUROPEAN OPTIONS EXCHANGE

3<sub>11700-7 1986</sub>

Ils

The state of the s

Address of the second s

Control of the contro

the this trime.

The factoring a charge in the care of the care of

to the state of th

got anothers. Country and R.

the production. Chaird rends

pollution

Proceed and Se

t liest vertigen 🗱 

d of the day

min 1946 14 - 4 CARS (\*) in the of allege .... Late termittinken ক প্ৰতিক্ৰাল কৰিছে। বিভাগৰ সংগ্ৰহ 100000 the state welds. 1 N 17 MS the of a fater Commerce State

es

\*concy

# Pound steady despite rate rise

TRADING HAD a rather technical feel on the foreign exchanges yesterday, with the dollar and sterling showing mixed changes.

The Bank of England nudged clearing hank base rates up another ½ p.c. yesterday, but must have been satisfied by the the pound's steady performance, and the lack of any renewed will be desired to build up long positions in the yen and short positions.

Y125.90, but against the strong D-Mark fell to DM1.7165 from DM1.7270, it also declined to SFT1.4320 from SF

demand for the currency. The most obvious movement was in the D-Mark and Japanese yen, as a result of the unwinding of short positions in the D-Mark

and long positions in the yen.
There were no major statistics to influence the market, but Friday's news on US employment data continued to have some

Rising unemployment in May, and a lower than expected rise in non-farm amployment, eased fears about rising US inflation. This also put a question mark against earlier suggestions that the Federal Reserve was about to tighten its credit policy, to order to stem overheating in the US

economy.

Although the market no longer saw an immediate need for the US authorities to increase interest rates, the dollar was underpinned by signs of renewed confi-dence in US shares and bonds among Japanese investors.

In general, the dollar appeared to gain strength from the employment data, particularly against

the Japanese yen.
The yen suffered against major currencies in general, and partic-

£ IN NEW YORK

| £ Sont :        | 1.0006_1.0015                             | 1.7955-1.7965              |  |  |  |  |  |  |  |  |  |  |  |
|-----------------|---|----------------------------|--|--|--|--|--|--|--|--|--|--|--|
| 1 month         | par-0.01d/s<br>0.10-0.07pm<br>0.98-0.80pm | 0.10-0.09pm<br>0.49-0.47pm |  |  |  |  |  |  |  |  |  |  |  |
| Forward premius | ns and discounts app                      | ly to the US della         |  |  |  |  |  |  |  |  |  |  |  |
| STERLI          | 12 months                                 |                            |  |  |  |  |  |  |  |  |  |  |  |
|                 | Jene                                      | 6 Previous                 |  |  |  |  |  |  |  |  |  |  |  |
| R 30            | 76  | 2 365                      |  |  |  |  |  |  |  |  |  |  |  |

**CURRENCY RATES** 

CURRENCY MOVEMENTS Bapk of England Intex

OTHER CURRENCIES

MONEY MARKETS

# Base rates to 8½%

facilities, but did not intervene to and some analysts were still buy any bills from the market.

The central bank informed the rate tender before too long.

CLEARING BANK base rates rose to 8% p.c. yesterday, following a clear signal from the Bank of England, through a haif point rise in its market lending rate.

Once again it was more the timing than the actual rise itself which took most traders by surprise. Interbank rates actually hills at noon, or after limeth.

The Bank lent \$10m to the market.

The Bank of England forease.

Yesterday's base rate rise, the second this month, underlined the authorities' concern about continued money supply growth and implications for inflation, yesterday's rise of 0.7 p.c. in April's UK retail sales figures, from an initial 0.3 p.c. increase.

The Bank of England forecast a money market shortage of £200m pounds, and invited the discount houses to use their borrowing facilities, but did not intervene to buy any bills from the market.

The Bank of England forecast a money market shortage of £200m pounds, and invited the discount houses to use their borrowing facility organised by the Bundes bank to invested the and some analysts were still a little wary given the pounds and invited the discount houses in use their borrowing facility organised by the Bundes bank to invested the analyses were still a little wary given the pounds. The Bank of England forecast a money market shortage of £200m pounds, and invited the discount houses in use their borrowing facility organised by the Bundes bank to inject liquidity, traders and some analysts were still a little wary given the pounds. The bank houses are the fore trader in use in US interest rates and some analysts were still a little wary spiven the pounds.

LONDON MONEY RATES Treasury Bills (sell); one-month 8 per cest, three month 8 th per cest, three month 8 three 10 three

**FINANCIAL FUTURES** 

# Sterling contracts firmer

bank base rates another ½ p.c., only a few days after the last

Over recent weeks the market from 33.9.

has tended to build up long posttions in the yen and short positions in the D-Mark.

The dollar from 33.9.

Sterling another ri
rates. The Sterling failed to react to another rise in UK bank base LIFFE LONG SILT FUTURES OPTIONS

west German economy.

But last week it was announced that first quarter growth in German gross national product was a airong 1.5 p.c., compared with 0.5 p.c. in the fourth quarter of last year.

This successful performance by the lack at the close to DM3.0950, against DM3.1000 or Friday.

The pound also felt to FF710.4525 from FF710.4700, and to SF72.5800 from SF72.5825, but rose to Y227.25 from Y226.00.

In terms of the dollar, sterling gained % cent to \$1.8025. The This encouraging growth rate gained % cent to \$1.8025. The in Germany, coupled with the pound's exchange rate index rose remarks of Mr Poehl, led to buy. 0.1 to 76.3. Ing of the D-Mark, and the yen

The French franc improved was the most obvious currency to slightly against the D.Mark, with sell, because long positions have the German currency closing at been built up recently.

The Friedd Hart Improved the compared with the German currency closing at been built up recently. DM3.3810 in Paris, compared with

There was no news to suggest the yen has any underlying weakness, but more a matter of technical correction in other currencies.

DM3.3830 in raris, compared with DM3.3834 on Friday.

This followed the first round in the French general election, and a better than expected performance by the right of centre candidates.

The dollar rose to Y128,10 from

| US EUROPEA   | N CURRE  | NCY UNIT   | RATES   |   |   |
|--|--|--|---|---|---|
|  | Ecu<br>central<br>rates  | Currency<br>amounts<br>against, Eco<br>June.6                              | % change<br>from<br>central<br>rate                       | % change<br>adjusted for<br>discryence                      | Divergence<br>limit %   |
| izes Franc izin Virgoe izin Virgoe izin Da-Mark izin Franc in Gorlider Print an Luca | 42.4582<br>7.85212<br>2.05953<br>6.90403<br>2.51943<br>0.768411<br>1483.58 | 43.3807<br>7.89929<br>2.07429<br>7.01155<br>2.32911<br>0.775146<br>1541.65 | +217<br>+060<br>+0.77<br>+1.56<br>+0.42<br>+0.86<br>+3.91 | +1 01<br>-0.56<br>-0.39<br>+0.40<br>-0.74<br>-0.28<br>+3.25 | ±1.5344<br>±1.5404<br>±1.0961<br>±1.3674<br>±1.5012<br>±1.6684<br>±4.0752 |

| OUND   | SPOT- FO  | DRWARD A  | GAINST T   | HE F  | OUND   |  |
|--|---|---|--|---|--|--|
| Jane 6   | Day's<br>spread   | Close   | One morth  | %<br>pa   | Three months   | 7.<br>PA   |
| rada charitadis idean id | 18000 1 18055<br>22150 2 2245<br>3.47 3 495<br>64.65 - 65.20<br>11.77 11.824<br>11555 11.630<br>2595 2 254.10<br>2596 2 20712<br>2596 2 20712<br>11.05 10.4812<br>10.81 10.8412<br>2255 2274<br>21.70 21.80 | 1.803 - 1.8030<br>2.2300 - 2.2210<br>3.47 - 3.48<br>4.65 - 64.75<br>11.74 - 11.804<br>11.555 - 11.804<br>11.555 - 11.904<br>55.105 - 56.40<br>2014 - 2024<br>11.30 - 11.31<br>10.454 - 10.844<br>10.824 - 10.874<br>20.17 - 21.80<br>2.576 - 2.574<br>2.175 - 21.80 | 0.13-0.10 pm<br>0.16-0.24 olds<br>1 lp-1-typen<br>20-5 cpm<br>gar-Invedis<br>0.05-0.10 clus<br>14-30 clus<br>14-3 cent<br>15-3 cent<br>15-3 cent<br>15-3 cpm<br>15-3 cpm<br>15-3 cpm<br>15-3 cpm<br>15-3 cpm<br>15-3 cpm<br>15-3 cpm<br>15-3 cpm | 0.77<br>4.16<br>2.32<br>-0.57<br>4.85<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.58<br>-1.5 | 0.52-0.47pm<br>0.29-0.45sb<br>435pm<br>- 54-34pm<br>- 195-0.45ds<br>42-0.43fpm<br>151-25ds<br>7-14ds<br>113-124ds<br>44-31pm<br>33-24ds<br>24-24pm<br>26-4-24pm<br>44-32pm | 1.00<br>4.57<br>2.00<br>1.00<br>1.00<br>1.00<br>1.00<br>1.00<br>1.00<br>1.00 |

| A seed.     | Day's<br>agreed  | Dose            | Due manth       | %<br>94 | Thrue<br>pronties | 2   |
|-------------|------------------|-----------------|-----------------|---------|-------------------|-----|
| tkt         | 1.8000 1.8055    | 1,8020, 1,8030  | 0 13-0 10cmm    | 0.77    | 0.52-8-4700       | 1   |
| standy      | 1.5535 - 1.550B  | 1.5570 - 1.5580 | 0.05-0.10cdk    | -0.58   | 0 12-0 2266       | 407 |
| Warks       | 1.2295-1.2330    | 1.2320-1.2330   | 0 15-0 20cdk    | -1.71   | 0.52-8.37d/s      | I.  |
| ether lands | 1.9265 - 1.9335  | 1.9270 - 1.9260 | 0.56-0.54cpm    | 3.41    | 146-162000        | 3   |
| eighan      | 35.85 - 36.00    | 35 89 - 35 95   | 5.5-4000        | 1.58    | 16.5-12.5em       | ī   |
| Charles     | 0.54 - 6.55%     | 6344 6344       | C 40-0.90pretis | 110     | 1.10-1.6006       | 40  |
| Germany.    | 1.7155 - 1.7220  | 1.7160-1.7170   | 0.50-0.56mpm    | 4.01    | 1.25-1.70pm       | 4.  |
| OCTOBAL     | 1405-141         | 1404 - 141      | 28-70cd/s       | 3.63    | 120-2206s         | -4  |
| PM          | 113.40 - 113 75  | 213.40 - 113.50 | 15-25edts       | 211     | 55-6545           | -2  |
| afy         | 12724 - 1280     | 12764 - 12774   | 2 10-3 100kedis | -2.44   | 6.70-10.70dk      | 2   |
| O( P-2)     | 6.27 - 6.294     | 6.27 - 6.276    | 2.80-2.95oredis | 5.49    | 8.50-8.70ds       | -5  |
|             | 5.60 - 5.81 L    | 5.804 15.804    | 0.10ds-0.10cpm  | 0.21    | 0.20ds-0.10mg     | -0  |
| PACI MEN    | 6.00 4 - 6.03 4  | 6.00% - 6.01    | 1.30-1 45omik   | -2.74   | 4.00-4.20db       | 2   |
| PRO         | 129.95-126.45    | 126.05 126.15   | 0.38-0.35ype    | 3.46    | 1.11-1.06pm       | 3.4 |
| Str12       | 12.06 2 - 12.104 | 12.09 - 12.09   | 4.00-3.00mnpm   | 347     | 12.00-10.00cm     | 3.  |
| distribut.  | 1.4310 - 1.4370  | 14315-14225     | 0.59-0.54mm     | 4.72    | 1.76-1.71pm       | 4.1 |

EURO-CURRENCY INTEREST RATES

| Jungo 6  | Short<br>term                          | 7 Days   | Month                                    | Three<br>Months   | Şix<br>Manths  | Acen.<br>One                                      |
|--|--|--|--|---|--|---|
| Secting US Delice US Delic | されるがいいったのであるからいたかられたかられたからないというないのである。 | 8-74-7-7-8-7-7-7-8-7-7-8-7-7-8-7-7-8-7-7-8-7-7-8-7-7-8-7-7-8-7-7-8-7-7-8-7-8-8-8-7-8-8-8-7-8 | 8-1-7-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1- | 07-84<br>77-78<br>77-78<br>41-28<br>71-71-10<br>71-71-10<br>61-64<br>41-4 | 94.94.<br>712.72.<br>92.94.<br>213.22.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23.<br>213.23. | 92 92 4 3 4 9 2 9 4 9 4 9 4 9 4 9 4 9 4 9 4 9 4 9 |
| Long term Eurobil  | ars' two years I                       | is -Big per cent<br>rates are call fo  | three years 9-8                          | le per cent; four   | years 91 <sub>8</sub> -67 <sub>6</sub> pe<br>ethers, two day   | cost; five years,                                 |

| June 4 | 2              | \$             | BM             | Yes            | F Fe.          | S Fr.          | H FT.        | ᇣ              | CZ                    | B Fa           |
|--------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|-----------------------|----------------|
| É      | 0.555          | 1.803          | 1995<br>1717   | 223.3<br>126.1 | 10.46<br>5.801 | 2500<br>1431   | 1475<br>1927 | 2302.<br>1271  | 2 <i>22</i> 1<br>1232 | 64 76<br>35 88 |
| DAT    | 0.323<br>4.399 | 0.583<br>7.932 | 13.63          | 73,44<br>1000, | 3.380<br>46.02 | 0.834<br>11.35 | 1123         | 743.8<br>10128 | 0718<br>9771,         | 20 TX<br>284.6 |
| P FR.  | 6954<br>9.388  | 1.724          | 2.959<br>1.200 | 217.3<br>80.10 | 10,4           | 2467           | 332          | 2701<br>892.2  | 2 123<br>0.661        | 6).85<br>25.00 |
| N FL   | 0.288          | 0.519<br>0.783 | 0.891          | 65.41<br>98.74 | 3.010<br>4.544 | e742<br>1.121  | 1.510        | 662.4<br>1000. | 0.439<br>8.965        | 28.13<br>28.13 |
| C.S.   | 0.450<br>1.546 | 8.812<br>2.787 | 1.594<br>4.764 | 1623           | 4.710          | 1.162          | 씘            | 1036<br>3558   | 1<br>3.433            | 29.13<br>100.  |

You ger 1,000: French Fr. per 16: Lina per 1,000: Beigfen Fr. per 109.

| LONDON INTERBANK FIXING  Olivor a.m., June 60 3 months US dutiers 6 months US Dollars  bid 7 /2 offer 7/2 bid 7 /4 offer |                      |                         |            |
|--|----------------------|-------------------------|------------|
| (1).00 tw. Jac ()  | 3 months (US dollars | 6 mentls                | US Dollars |
| bid 7 g  | other 7%             | Md 71                   | भीर        |
|  |                      | a management of the bud |            |

MONEY RATES NEW YORK 3.20-3.25 71-71 15-15 31-4 3.46875 91, 101 3.80 62-71 3,30-3 40 74-74 21:-24 3,4-4 3,90625 104-114 6-64 75-74 3,50,3,65 73,75 24,23 44,46 14,685 104,114 64,46 73,77 3.35-3.50 74-74 3.70-3.85 75-74

STERLING DENOMINATED deposit futures rose to 91.05 from interest rate contracte were 91.02, in spite of the approaching firmer on the Liffe market yester-delivery of the contract.

day.

This followed the Bank of England's move to increase UK hank base rates another ½ p.c.

Most trade has now transfered to the September month, which opened lower at 90.32 yesterday. This was the lowest level of the day, and the contract rose to a peak of 90.64, before closing at 90.46, compared with 90.38 on Fri-

This came as something of a day.

surprise to the market, as gilt futures gained support upward pressure on rates from the anti-inflationary impliappeared to be easing during the cations of higher UK interest morning, with an improvement by sterling against the D-Mark.

September long gilts rose to a septembe June three month sterling peak of 96-10, on the rise in base

Estimated Volume 491(785) Previous pay's open int, 737(797)

Estimated Volume 1211(1747) Previous day's open (pt. 1124)(11561)

Est. Vol. fluc. flys pot showed 5527(8634) Previous day's open lat. 42678(41260)

Close High Los 87-28 88-11 87-29 96-29 87-12 86-28 85-16

Close High Low Prev 18013 1.8042 1.8009 1.7990 1.7957 1.7957 1.7957 1.7935 1.7875

1-mth 3-mth 6-mth 12-mth 18013 17975 17911 17810

Latest Biots Low Pres 18015 1.8065 1.8005 1.7965 1.7962 1.7980 1.7948 1.7966 1.7910 1.7920 1.7880 1.7930

45 TREASURY BOMDS 0% 1204,008 32ms of 100%

**CURRENCY FUTURES** LIFFE STERLING E25,000 5 per E

DENI-STERLING TO per E

PHILADELPRIA SE EJS OPTIONS E12,500 (costs per E2) Aug Sep 2.82 3.87 4.27 5.25 5.97 6.95 7.91 8.74 10.10 10.76 12.40 12.91 14.78 15.16 LONDON (LIFFE) CHICAGO

93.28 93.08 92.94 Close High Low Prev. 108.03 108.05 107.75 107.97 106.22 106.35 106.22 106.66

ously.
US Treasury bond futures also finished firmer in London, at 86-29 for September delivery. against 86-21 previously, but well below the day's high of 87-12. Prices weakened later in Chicago, with US debt futures falling to session lows, on a rise in the Commodity Research Burean Index.

ing US inflation, pushing honds down, and triggering light stop loss selling orders.

ABL P

Alliet inst Bask
Herry Assharber
ANZ Banking Group Associates Cap Corp
Antherity Bank
8 & C Merchant Bank Bank of Cypres ... Back of Ireland ... Bank of Indsa ...... Bank of Scotland ... Banner Grottenn
Banner Beige Liti
Barcings Bank
Berchmark Bank PLC
Berlime Bank Alc
Berlime Bank Alc
Brings Sunder
Brings Sunder
Brings Sunder
Brings Mug Est
CL Bank Nederland
Control Cardial ● Guinness Mahon.....

Nat Bk. of Kuwait .... ... City Merchants Bank
Clydestale Bank
Comm Bk N East RattBestmiester Renteem Bank Ltd...... Konnich Gen Trust ..... Comm & K. E. Early
Control & Co.
Cyprus Popular Bk
Denghar Bank P.C
Denghar Bank P.C
Denghar Bank P.C
Denghar Bank P.C
Denghar Bank Bk
Exeter Trust Ltd
Farancial & Gor, Sec
Lient National Bank Bk
Exeter Trust Ltd Roxburghe Girantee ... Royal Bit of Scotland . Royal Trust Bank .... Smith & Willimso Secs. Standard Chartered .... First National Bank Pic .... Robert Fleming & Co. ..... TSB
UDT Blortgage Exp
United Blo f Kowait
United Mirzalv Bank
Unity Trest Bank Pic
Westera Torst
Westera Torst
Whiteaway Laidfaw
United Bank Pic
Westera Torst Robert Fraser & Plars. .... M Hamboos Bapt 8
Heritable & Con boy Bik 8
Heritable & Con boy Bik 8
Hitt Samuel 852
C. Hoare & Co. 8
Houselycop & Shaugh 812
Lloyds Bank 812
Midland Bank 812
Mount Bookg Qapp 812

• Members of British Merchant, Banking & Securities Houses Association \* 7 day deposits 3.00% Samenies 5.66%. Fon Tier-ElD,0004-Instant across 7.50% # Mortgage base rate. § Demand deposit 3.00%. Mortgage 9.125% - 9.5%

# Barnes & Co.

presents

#### STEIDLMAYER MARKET THEORY SEMINAR

LONDON July 9th - 13th 1988

#### MARKET PROFILE/NEW RESEARCH DISCOVERIES

The Class is geared towards market analysis and decision making for corporate application in the cash and futures markets. Emphasis will be placed on international debt and currencies.

The MARKET PROFILE is now widely recognized as a new information tool that is becoming as indispensible to the trader as his quote machine. In his third London Class, the profile's founder, Mr Steidlmayer, will show how he analyzes the MARKET PROFILE and present new concepts of on-line volume samples and information models.

For full information call Tony Orfanos

01-623-8949

For registration call Alex Carpenter

01-623-0444

Barnes & Co 18 King William Street 7th Floor London, England EC4 N7SA

**Chemical Bank Home Loans** 

#### **Money Market Mortgages** The rate for LIBOR-linked mortgages for the

quarter beginning 3 June 1988 will be 10% (APR 10.5% variable).

**Company Notices** 



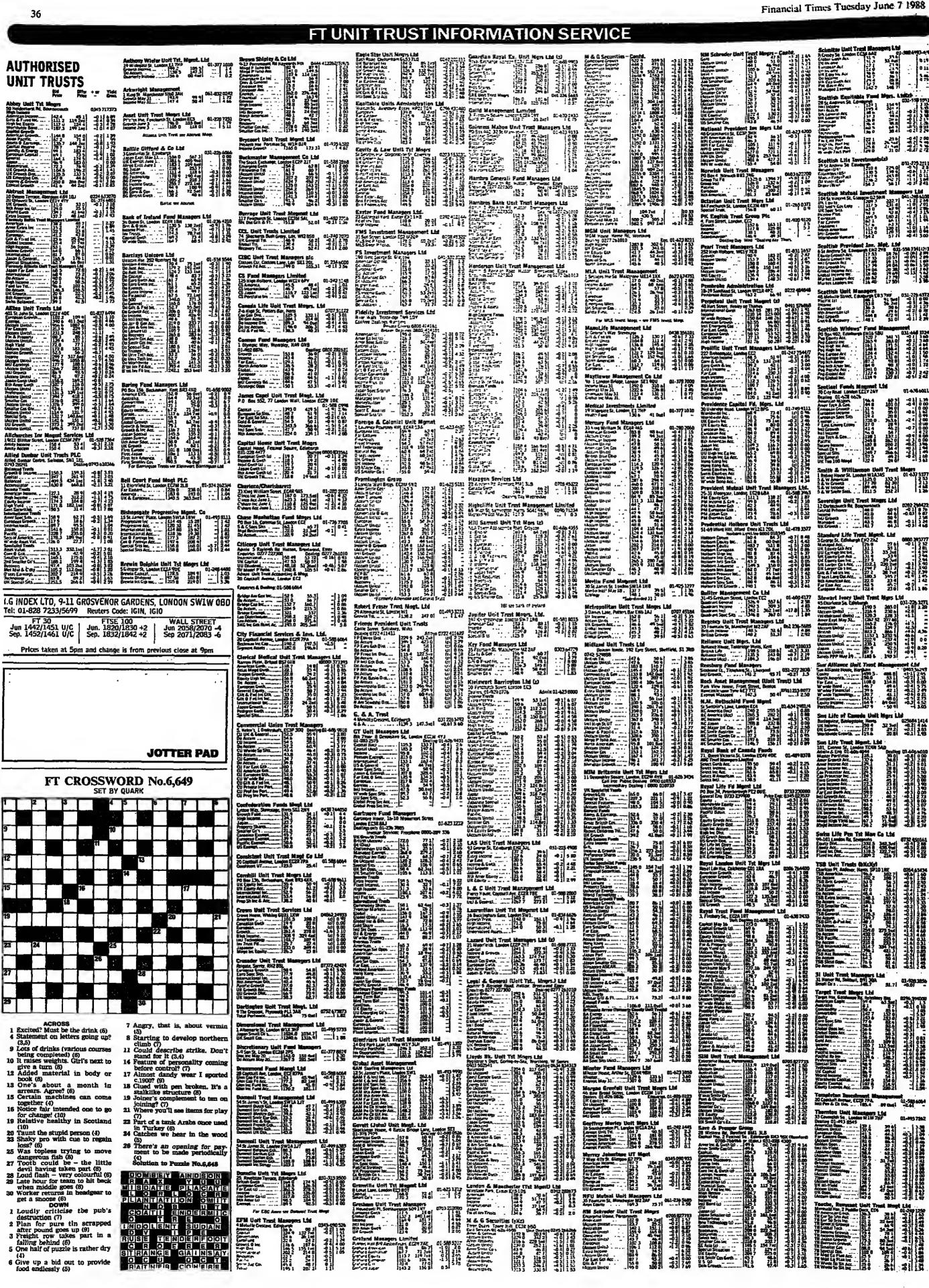
Established in Brussels by virtue of the 25 August 1822 Royal Decree Registered Office : Rue Royale 30, Brussels Brussels Commercial Register No. 17.487

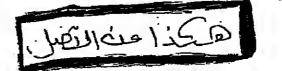
In order to attand this General Meeting, to accordance with Article 29, paragraph 2 of the Memorandum and Articles of Association, shares must be deposited by Tuesday. June 14

Attendants at this June 21, 1986 meeting are requested to be present from 9.30 A.m.

情赏

- 1





June 7 195

alment M

Med. Lie

and Management

and the

to Unit Tend to

Magre Lig

Ment 14

Trant Mapr Lit

First Management IS

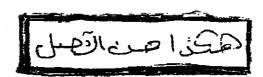
AT ST 4 44

A 42

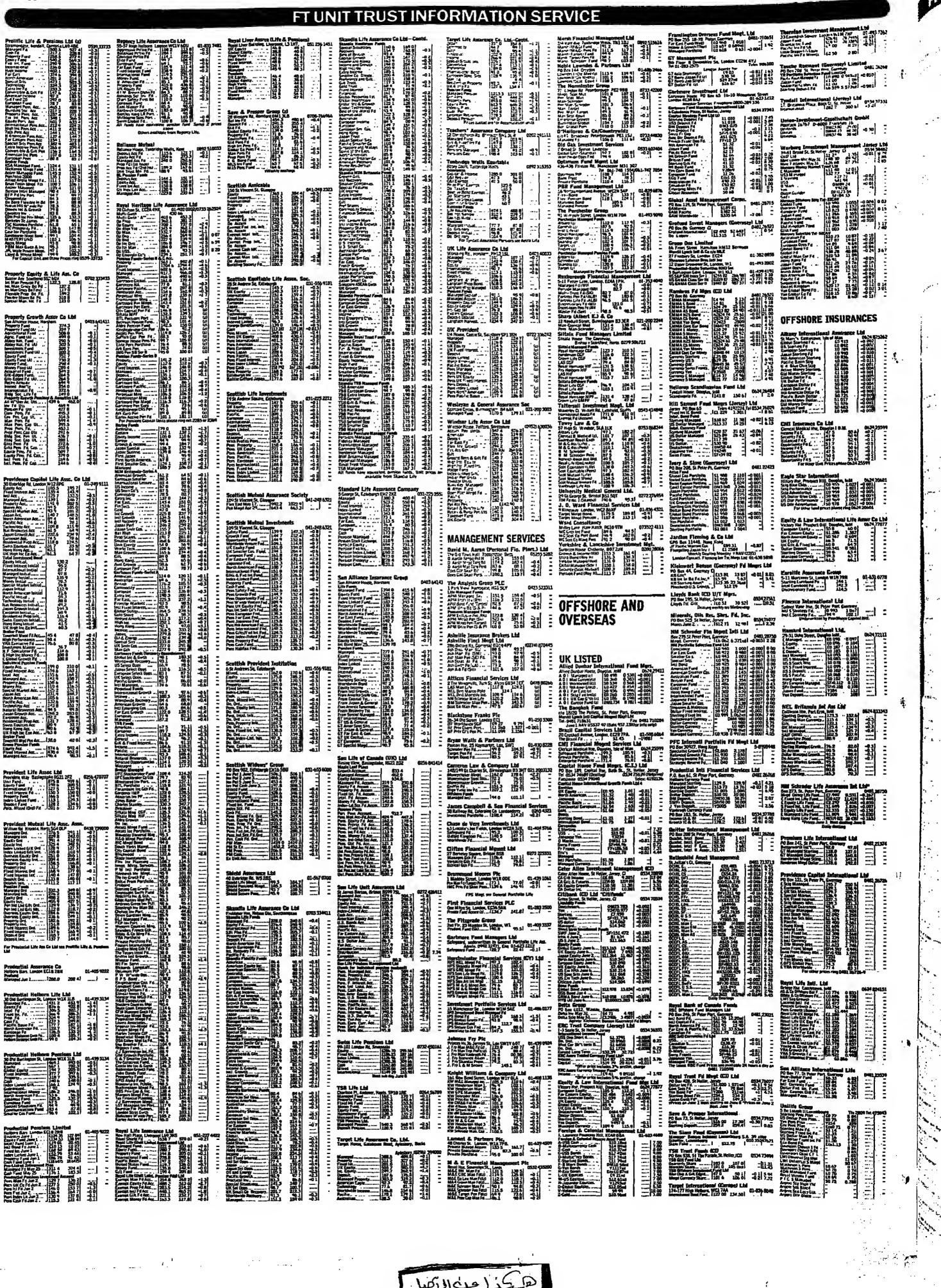
A 4

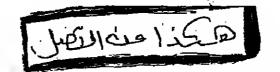
Service of the servic

٤٠٠



#### Gameral Particists Stower I vory Pession Family Pession Family Fire II County From I C Craner Financial Mireports French Francis Franker Britis Franker Franker Britis Franker European Find Sterritt International Int | California | Assar autor | Ent | California | Californi Emergence House, Parts American, Accinitate Colonia American, Accinitate Colonia American, Converse Colonia American, European Estra Income For Estatem Grants. Finder Percent Colonia Finder Income For Estatem Grants. Finder Memory Colonia Finder Income Global Minhadyd. Global M 92 6 483 4 189 0 289 1 176 2 287 0 364 7 465 9 286 3 Victoria Road Chelman Arres Rosa (Acc) Arres Rosa (Bast (Acc) Arres Rosa (Bast (Acc) Arres Rosa (Bast (Acc) Arres Rosa (Bast The state of the s 9007-014 9 110 1407-0 682 9 699 1 219 0 250 2 305 1 193.7 Account theirs. | 67.5 | 67.8 | Account theirs | 67.5 | 67.8 | UKK Unit Trust Manusgers List Working Road, Horkon, Mill 19. UKK Unit Trust Manusgers List Working Road, Horkon, Mill 19. Unit Trust Account & Manust. List 20 Copital And Liston. | 50.2 | 53.3 | Light Trust Account & Manust. List 20 Copital And Liston. | 62.2 | 74.5 | Friest Rich | 19.5 | 19.5 | 19.5 | Friest Rich | 19.5 | 19.5 | 19.5 | Liston Rich | 19.5 | 19.5 | 19.5 | United Charities Unit Trusts Bulkers Charities Unit Trusts Bulkers Charities Liston Rich | 19.5 | Liston Rich | 19.5 | Crussader Battarante Pix Reigate, Sarry 1912 881, Mananet Pertermante, 94 2 With Prof K Deviews, 10a 3 K Capportunity, 10a 3 F of Eastern Opp. 77 5 F of Eastern Opp. 10a 3 Graft Pro Se 7 2 Graft Pro Se 7 2 Graft Pro Se 7 2 Capportunity, 10a 3 K Sanangel Peerl May 11. 330 3 K Sanangel Peer Managed. Ger Brigd. Froperior Annesican Active Properior Active Activ 900 9110 110 179 900 9110 1999 900 91.7 94.4 112.5 87.5 87.5 103.2 87.7 105.3 113.8 113.8 113.8 113.8 113.8 113.8 Med. Lie Allegary Life Assurance Ca Ltd 3 Darkes Jame Potters for Ellio Ltd 3 Darkes Jame Potters for Ellio Ltd 3 Darkes Jame Potters for Ellio Ltd but filler Dan-Fr Activity 111.0 117.87 Leady F4 Activity 5867.3 113.3 113.3 Feet Int Activity 5867.3 113.3 113.3 Feet Int Activity 110.0 110.0 110.2 Intelligent F4 Activity 110.0 110.2 Intelligent F4 Activity 110.2 110.2 Intelligent F4 Activity 110.2 110.2 Intelligent F4 Activity 110.2 110.2 Intelligent F4 Activity 110.3 110.3 Intelligent F4 Ac Remarkire Life Development Life 25 Sizement St., WIR St6 Manager Manag 01-236 3053 | Section | Sect 928 3984 1772 1738 93.1 97.3 20.5 20.5 20.5 110 - 25609335 A STORES 14861311443126536414 154311443126536414 154311443126636414 수 . 우수 숙수 : 우수 : | : 연호 sery Ind 5213 497 6 3520 309.5 411 7 144 0 156 7 141 8 178 2 201 77 490.5 201.5 201.5 201.5 201.5 201.5 201.5 201.5 +07 +27 +22 +14 +10 +10 +09 +09 \$5.50010 \$000000 171 5 141 6 151 6 151 8 152 8 153 1 153 1 153 1 155 6 155 7 165 6 165 7 165 8 115 9 165 8 115 9 165 8 140 0 1 140 | Account Barbol. | 56.3 | 40.7| | Warning Unit Trust Wannagers Link Warning Units | E2P 23.4 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 74400 77400 775000 77500 ANGIM Accurrence MICHAI Hoter Henre Mil HIE Eight Acc Florith American Acc Florith American Acc Florith American Acc Florith American Acc Florith Canada Florith Edit Hoter Acc Florith Canada Florith Ca 927 4003 -104 -104 -104 -104 +09 -09 -04 -04 -07 -06 -06 1143 153 8 1643 1643 114 1 1212 105 8 110.7 119.3 250 1 250 9 334 3 334 3 168 3 139 4 109 2 # Co Pic # Co P 275-3 294-1 162-7 167-2 167-4 157-0 273-2 289 h 309 6 171 3 397 1 312 2 197 5 166 2 287 6 +1 2 +07 +04 +10 +01 Winnerley Unit Trust Management List 13 Charlotte St. Edishugh Assirated an Gels. 22 4 7 -0.2 0.0 Emily Edishugh 47 50.7 417 0.1 Can Related Goth 47 50.7 417 0.1 Chort Maje. 50 90 6 -0.1 8.7 Peony Share. 27 2 28,9 40.1 0.5 Affiled Detunier Assurance Affiled Outsier Cr. Sarindow Still Final Int. Dos. Acc. 264.1 Enatis Acc. 721.4 Enatis Acc. 721.7 Enational Acc. 721.7 Enatis Enatis Economic Destroance Company Ltd Lordes Rd, Sktinghowne MC10 IPE Maragad 92 1 97 0 Flare Interest 96 5 101 4 Easily 94 0 95 101 4 Easily 94 0 95 101 4 Easily 95 0 55 11 Monty 95 0 95 11 Monty 95 Pens Fuer's AEC. 187 & 197 & 1 0795 24321 \$1.45 \$10000 Pero Gercian Cambr. | 80.2 | 64.5 | Pero Gercian Cambr. | 101.2 | 107.0 | Pero Marca | 101.2 | 107.0 | Walton St. Autochary Recits NP22 7(109 | Far Eastern | 60.6 | 91.2 | Far Eastern | 202.4 | 223.1 | For the Vist. | 100.5 | 164.6 | Ulik & Fired Int | 124.9 | 185.7 | Holy Incorn. | 107.5 | 155.7 | Hord Growth | 105.8 | 154.6 | Morey | 117.2 | 123.4 | Horth American | 111.4 | 117.3 | Pelican | 104.7 | 131.1 | Formal Fands | 116.2 | 171.4 | Pennist Fands | 116.2 | 171.4 | Pennist Fands | 105.3 | 105.3 | Gert Lettern | 223.9 | 260.2 | Gert Lettern | 243.9 | Hoth Income | 220.7 | 242.8 | Hoth Income | 220.7 | 242.8 | Hoth Income | 243.8 | II. CHEST COLOR 01-253 7101 161.2 1829 1875 150.8 112.4 119.1 119.1 144.1 161.6 114 +13 +03 +19 +19 +12 +12 +12 250.7 571.5 250.3 177.5 250.3 177.7 100.6 36.0 7 100.6 46.1 136.0 120.0 120.0 120.0 120.0 Special Sit. 211.1 Emity & Law Arrenchum Rand, High Wycombi UK Egetiter Fund. 599,3 Higher Inc. Fund. 599,3 Higher Inc. Fund. 599,3 Higher Inc. Fund. 599,3 Sed. Depotit Fund. 109,3 Sed. Pent. Higher Sed. 109,3 Sed. Pent. Higher Sed. 109,3 Higher Fund. 10 NORSAL AND 444517497086177899971838417 55585182548864377899971838417 150 1 126 1 140 5 147 5 158 3 158 5 158 5 147 5 148 5 147 5 77 7 Morwich Union Ancel Man PO Box 124, Norwich NR1, LV5 RUHAN Famb BURAN Famb Sonch Mancel Mend Famb A 70 Ewonen Famb A 70 Ewonen Famb A 12 Pacific Famb Sonch Annel Mend Famb A 22 Pacific Famb Sonch Annel Mend Famb Sonch Annel Mend Famb A 23 Sonch Mancel Famb Sonch Annel Mend Famb Sonch Annel Mend Famb Sonch Mancel Famb Sonch # 0272 290566 mtx Group 0272 290566 100.81 -0.1 -0.1 100.02 -0.1 100.22 -0.8 100.31 -0.1 127.3 -0.2 104.31 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1 127.3 -0.1





URANCES

ARCE LA

Constitution of the consti

<u>--</u>

200 ACC

Financial Times Tuesday June 7 1988 LONDON SHARE SERVICE **BRITISH FUNDS** Foreign Bonds & Rails **BRITISH FUNDS - Contd** Price + at Yield 127 (3rd +)3 9.39 9.16 OTHER OFFSHORE FUNDS 204 113 074 -6 m 208 -001 1192 -1 124 -2 109 -1 127 -6.02 107 -0.03 esses Jelamic Pd Mont Ltd Index-Linked **AMERICANS** (1) (2) Start

224 Abbont Laboratories

4230 Palegery 6 W 1:

6250 Amas 1:

164 Amain 15:

22 Amer Cyanamid 55

114 Amer Cyanamid 55

114 Amer Cyanamid 51

137 American 1: 67: 51

467 American 51.

159 American 51.

164 American 51.

164 American 51.

165 Aminaci 51.

164 American 51.

165 Aminaci 51.

165 Aminaci 51.

166 Bantamerica 51.

166 Bantamerica 51.

167 Bantamerica 51.

168 Bantamerica 51.

168 Bantamerica 51.

169 Bantamerica 51. Advants & NewHe Found Magt (Game Workings) Book Foot by 173 1.00 Workings (San Foot by 173 1.10) Workings (San Fol Acc. St. 99 9 9 98) Workings (San Fol Acc. Sc. 99 9 9 98) NO DEVISIONAME
ON YEAR
GARM PRETINCTUTING INC
GARM SUPPOPULATION
GARM TONEYO FOR INC.
GARM TONEYO
GARM U S
GARM Prospective real redempsion rate on projected initiation of (1110\*\*a and 12) 5\*\*a. (b) Figures in parentheses show RPI base month for locating, in 8 months prior to laurel and nave been adjusted to reflect rebasing of RPI to 100 in January 1967. Conversion latter and large respective control of the contro \$666 \$888 INT. BANK AND O'SEAS Five to Fifteen Years \$100 K \$1 115(t) 111 | Treat 12 | pc 1993tt. | 93 | 199 | pr | 1993tt. | 93 | pc 1993tt. | 116 | pc 1993tt. | 129 | pc 1994tt. | 1994tt. | 1994tt. | 1994tt. | 1994tt. | 1994tt. | 156 | pc 1994tt +0.01 +0.01 +0.01 12 % Campaeth Sour 15c
13 % Calegorillar int S1
14 % Calegorillar int S1
15 % Calegorillar int Calegorillar in +0.01 +I.00 **CORPORATION LOANS** ess Flight Fund Mgrs (Grenney) Ltd | Comparison of COMMONWEALTH & AFRICAN LOANS 925 -4 7.83 284 77 45-4 LOANS Over Fifteen Years The state of the s rd Irish Fund tlamagers (CD List op Correct Fd. 130.0500 - 7.89 ord Correct Fd. 530.0500 - 30.77 nilep Ensistent 516.3721 05.44 Strategic International Gold Fund S.A. Strategic Metals Corp ple Metal Funds Strategic Metals 4 Fa., 124 84 132 001 -..... -Volum in at Jan 1967 100.00 105 00 TSB Trest Finals CD | 12.50 Finals CD | 12.50 Finals Fin | 40.5 | 42.6 | 40.1 | 2.50 Fin | 40.5 | 40.1 | 2.50 Fin | 40.5 | 40.1 | 2.50 Fin | 40.5 | 40.5 | 40.1 | 2.50 Fin | 40.5 | 40.5 | 40.1 | 2.50 Fin | 40.5 | 40.5 | 40.1 | 2.50 Fin | 40.5 | 40.5 | 40.1 | 2.50 Fin | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | 40.5 | Hammerchytie Finance Group
Lavine Li, Winchester By Berbusher
1290-12500 | 10 to 441 | 430 | 00
12500-10 | 10 to 441 | 430 | 00
12500-10 | 10 to 441 | 430 | 00
12500-10 | 10 to 441 | 430 | 00
12500-10 | 10 to 441 | 430 | 00
12500-10 | 10 to 451 | 10 to 451 | 10 to 500
136 Extra Rose, NWT, 242 | 10 to 500
136 Extra Rose, NWT, 242 | 10 to 500
136 Extra Rose, NWT, 242 | 10 to 500
137 | 10 to 500
14 To 500
15 To 500 cio Protential-Backa Capital Funding (Contiles) Ltd RAY 87% \$1 423 30 Uon 159 US\$49.73 Uon &) Taiwan (ROC) Fund NAV \$1,407 00 IDR Value US\$56,149.55 Wellington Fd Mages (Sugresser) Ltd Target Informat. Massagement Ligrary | List here forms | 10.19 | 10.51 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | ... | 10.16 | The Thai-Ears Fand Lid
Leys Rate Fant Intern Stormers Ltd
MV
The Thailand Fand
MAY Rate 518,8300 0WOR wher USS20,600 as World Fund S.A. The New Zeahant Famil

Manager Leiderhaut Pamil

Manager Leiderhaut Originer Lei

Manager | Comparison | Com Frebisher Food Lineited
ANY Stay 23. SSA 23 | - Inderestional Cosh Portfolios
SSA 23 | - I -Trust Funds

| Control | C Barytogton Myort (02)-Sarriogton Fd (02) - Sarriogton Fd (02) - Sarriogton Myort (02) - Sarriogton Myort (02) - Sarriogton Fd (02) - Sarriogton Myort (02) - Sarriogton Fd (02) -Transwarid Road Trust

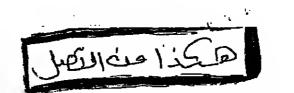
Still 72 | -8.81 | The Charities Deposit Fand

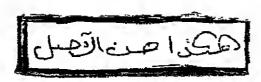
From Service Loads Extra Service Loa ARB-Ailled Arab Bank Ltd.

ARB-Ailled Arab Bank Ltd.

This caree is, Landyn ECHI San Haraban Haraban San Haraban S AAB-Aliled Arab Bank Ltd 97-101 Lance St. Landyn ECAM 540 01-429 5802 97-101 Lance St. Lance St.

|  | LONDON SHARE SERVICE   |  |
|--|--|--|
| AMERICANS — Contd  1965    1965  | 1 - 15의 12의에는 NGO : 및 공문에 - 1 _독일 등장 등 학생 VI - 17의 124에 "한테토어 및 유민에 다 1 _국일 등 한 등 학생   | 2 15.1 135 Mark 1478 570 15 1 135 b2 0 3 b 2 0 18 0 15.1 168 4 15.0 15.1 168 4 15.0 15.1 168 4 15.0 15.1 168 4 15.0 15.1 168 4 15.0 15.1 168 4 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0   |
| 10   75   77   77   78   78   78   78   78   | 129   106   De Cor Red Pri 106 y   107   108   17.5   15.5   125   106   De Cor Red Pri 106   107   108   107   108   107   108   107   108   107   108   107   108      | 17 122814 Group  |
| CANADIANS  | ELECTRICALS    115   973   1250   125 | 144   10,  |
| 476 13-bigsameto 456 -2 199-Michagolio & H 2232 80 2.6 4 2 12.0 756 45-bigsameto 1 24 10 10 10 10 10 10 10 10 10 10 10 10 10   | 1890 11:3Anstrad 59  | 3 Officinity 10n   |
| 476   \$62ptenural Casotal *6"   .   .   .   .   .   .   .   .   .   | 225 A 225 A 225 A 2 5 5 3 10 1 7 5 3 12 4 16 2 7 10 3 2 5 5 3 10 4 1 5 3 10 1 7 5 3 12 4 16 2 7 10 3 10 1 7 5 3 12 4 16 2 7 10 3 10 1 7 5 3 10 1 7 5 3 10 1 7 5 3 10 1 7 5 3 10 1 7 5 3 10 1 7 5 3 10 1 7 5 3 10 1 7 5 3 10 1 7 5 1 7 1 7 1 7 1 7 1 7 1 7 1 7 1 7 1  | 2  |
| 103   1   103    | 111   81   82   83   84   85   85   85   85   85   85   85   | 181 137/8 roton  |
| 237g 130pWeeada Goldifeds  | 231   104-Cite 100   | 1401 1128poots Service . y 140 +2 4.2 1.4 9.16 2 5.35 4.50poots 1109.50 y 78 +2 9.3 4.2 2 9.0 1 178 1618prom 6 Tuesse y 173 . 172 1.4 9.5 16.7 5.35 4.50poots 1.6 18.1 13.16 18.1 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1  |
| 134 11 (1) (1) (1) (1) (1) (1) (1) (1) (1)   | 103 7500ate Elect. 109   | 591] 36(Zapare Inds 85 54) 42 0 73 1 7 7 19 (Ziz) Rock 100 9 14 14 0 3 0 4 153 123 00 8 9 pt Cm P 11. 153 84 2 7 6 7 77 98(Rockmare 9 64 1 449 0 3 0 4 170 121 00 80c Cr P 11. 170 10 8 0 7 6 3 7 161 167(Rockmare 9 64 1 449 0 3 0 4 168 1 7 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1  |
| 1988   High   Cro   Shark   Price   - Net   Chr   Grb   PfE   233   133   ANZ SA1   209   - 1   10212   31   4.2   77   224   200   Alled Irist   229   - 1   10212   31   4.2   77   224   200   Alled Irist   225   065   35   4.5   9   9   9   9   9   9   9   9   9   | 273 225. Tem Erg 9   | 357 279125457 Cont 25 in 3 -51 1 1 1 2 1 3 1 1 1 2 1 2 1 1 1 1 1 1 1   |
| C17  | *62 27187 & H Group 10p.,   628   53 76; 25 1 9.6   116 9871; sect W & J 10p.   99 1   K3 4 - 4 6   127 15   235   42   6 9 1   87 15   127 15   235   42   6 9 1   87 15   127 15   235   42   6 9 1   87 15   127 15   235   42   6 9 1   87 15   127 15      | 213 176Compater People 50 v 183 K3 0 37 2 d 13 0 33 0 20 0 0 d N V v 313 2 2 1.18 7 5 0 5 35 6 10 1 88 cm. Station 2 100 v 8 m v v 101 88 cm. Station 2 100 v 8 m v v 101 88 cm. Station 2 100 v 1 m v 101 8 m v 1               |
| E15% E13% [Commerche OM10, E14%  | 163 1436EC59   | **S26** 330(frean (J )   |
| 226 ann. 226 | 24   6   6   6   6   6   6   6   6   6   | 1 140 110 110 110 110 110 110 110 110 11   |
| 270 157(Nat Aust. 8k. As1  | 170   135    | 5 100 93 fb. 4   |
| Close   SoSchroders 11   | 293 228/Marco 950  | 6 170 143Ereca 10s   |
| Hire Purchase, Leasing, etc.  191 155Acrifo Leasing 10s. v 1911 +2 3.7 4.25 4 55Accis Group 10s. v 1911 +2 1.7 4.8 9 1.5 8.8 337(Alexon 10s  | 322 260 Microvistres 100 v 265   | 5 174, 112   10.5 to Conclusion (1.1)   118   -1   54   54   54   54   54   54   54   5  |
| 140 102Moongate Merc. Log. 138 42 00 2 71 1 92 55 1 1 1 1 2 1 2 1 2 2 2 2 2 1 2 1 2 1  | 145   107      | 172 150 February Deep #130.5. 168 17.5 51118 1 354 96 Simi. 50.02  |
| 86 7588as a 119 53 9 32 10 9 78 4188 archards 100 V 42 +1 343 1.4 8.3 1.4 9.3 1.4      | 201 135P-E int 10p   | 235 18:35icres Gr. 209. v 287  |
| 3.5\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\  | 73   | 1 Ad 1223-p Harson   |
| 275 1.06 interportion Orms 8 271 - 2 575 2.8 2.8 1.6.6 54 4.00 emiss (1) 110 m 9 52 + 1 9.00 1.319 1.25 livris Distullers at 3194 + 5 9077 1.77 2.0 29.1 2.17 1.65 Orms Gross 10 m 9 174 - 2 44.0 5.0 3.0 8.5 9.0 9 9.0 523 Mazasian-Gentinet, 9 375 4.42 3.9 0.75 2.2 207 1.51 bettelline for locate, 7 74 + 1 5.0 9.0 9 1.24 1.11 lakasteals Nartis & y 8.33 4 + 2 20 9 2.0 9 2.0 9 207 1.52 libidistric Thompson 9 121 2.9 4.33 4 9.77 2.0 1.86 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.0  | C784 C014 D Profess 2009-14. (#C1415 - 1 75.24.8 4.9 20.1 1.0 20.1 20.1  | 200 2100 represent 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2   |
| 345 Young Bree 7 50n. V 318 07 44 3 0 10.0 320 270 Feminister 10n. V 318 77 19 44 3 0 10.0 170 115 Feminister 10n. V 318 77 19 44 3 0 10.0 170 115 Feminister 10n. V 318 77 19 44 3 0 10.0 170 115 Feminister 10n. V 318 77 120 120 120 120 120 120 120 120 120 120  | *155 98Scartronic 10p v 166 -5 116.0 22 1 116.0 22 1 116.0 12 1 116.0 22 1    | 106   122   Hornby Group 50 - y   145 - 1   4.0   3.4   3.2   1.1   1.2   3.4   3.2   1.2   1.2   3.4   1.2   3.4   1.2   3.4   3.4   1.2   3.4   3.4   3.5   3. |
| 27 165 abey   729 -5   117   05   19.0   15   17   15   18   15   18   15   18   18   18   | 677 50(Soundiracs 50 115) 117 117 117 117 117 117 117 117 117 11   | 587 36 becove Heldes Libra   |
| 210 17 (Barratt Dev. 109. 8) 177 - 2 19 93 25 6.7 (12.0  | 651 53 THOON Ele) 641 63 78 181 5 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2  | 383 355 Intercise Erg. 109. y 383 45 10.0 40 3.5 9.5 42 363 Means (E.E.) 209. 0 419 42 224 90 1 4 8 0 117 127 102 Intercise Try. 109. 4 85 2.1 6 0 10 5 130 115 Hiterritan Gave. 115 20 44 11. 9 50 40 1 4 8 0 117 4 15 15 15 15 15 15 15 15 15 15 15 15 15  |
| 1481 26 1 Bryane Grapp     148   K4 4 4.5 4.5 13.7   1314   298   245  Mert 105   0 267   3 7.2   13 6.1   14.1   133   255  Caradon 50   0 315   0 4.3   4 9.1   1.6   298   245  Mert 105   0 267   3 7.2   13 6.1   14.1   159   139   135   3   13 6.1   14.1   159   139   135   3   13 6.1   14.1   159   139                        | 79 444Wayn Ker 10n. 8 44. 18 29 34 14 5 12 100Wsta Setez 20n. w 165 -3 13 4 29 4 310.5 477 390Wstatesite Fin 10n. y 475 -2 110.08 25 28 18.6 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2   | 1   1   1   1   1   1   1   1   1   1  |
| 221 2290 ouglas Rott N1.8  | 280 desest Gross. 325 35 4 15 4 12 26 3.0 3.2 14 6 15 4 11 25 (Antherer St. 106) 257 -1 20 5.5 1.7 14. 12 6 3.0 3.2 14 6 15 12 (Antherer St. 106) 257 -1 20 5.5 1.7 14. 12 12 (Antherer St. 106) 257 -1 20 5.5 1.7 14. 12 12 (Antherer St. 106) 257 -1 20 5.5 1.7 14. 12 12 (Antherer St. 106) 257 -1 20 5.5 1.7 14. 12 12 (Antherer St. 106) 257 -1 20 5.5 1.7 14. 12 (Antherer St. 106) 258 -1 20 5.5 1.7 14. 12 12 (Antherer St. 106) 258 -1 258 1.7 14. 12 12 12 12 12 12 12 12 12 12 12 12 12   | 101 Included Resider   |
| 30 175 Fed. Housing 5p 8   | 148aure (C. N.)  | 11 11 15 15 15 15 15 17 15 15 15 15 15 15 15 15 15 15 15 15 15   |
|  |  |  |





|            | Financial Times Tuesday June 7   | 7 1988   | LONDON SHARE SERVICE   |
|------------|--|--|--|
| Ų          | LEISURE — Contd  1798  Ley Stack Price = 200 -2 11:0 1.8 5.0 13.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 18:0 50 19.3 17:0 19.3 18:0 19.3 17:0 19.3 18:0 19.3 17:0 19.3 18:0 19.3 17:0 19.3 18:0 19.3 19.3 19.3 19.3 19.3 19.3 19.3 19.3   | 256 2149H175 Group 258   | TEXTILES—Contd  TRUSTS, FINANCE, LAND—Contd  OIL AND GAS—Contd  MINES—Contd  TRUSTS, FINANCE, LAND—Contd  OIL AND GAS—Contd  MINES—Contd  MINES—Contd  MINES—Contd  MINES—Contd  TRUSTS, FINANCE, LAND—Contd  OIL AND GAS—Contd  MINES—Contd  MINES—Contd  MINES—Contd  MINES—Contd  OIL AND GAS—Contd  MINES—Contd  MINES—Contd  MINES—Contd  OIL AND GAS—Contd  MINES—Contd  MINES—Contd  OIL AND GAS—Contd  MINES—Contd  OIL AND GAS—Contd  MINES—Contd  MINES—Contd  OIL AND GAS—Contd  OIL AND GAS—Contd  MINES—Contd  OIL AND GAS—Contd  OIL AND GAS—Contd  MINES—Contd  OIL AND GAS—Contd  MINES—Contd  OIL AND GAS—Contd  MINES—Contd  OIL AND GAS—Contd  MINES—Contd  OIL AND GAS—Contd  OIL AND GAS— |
| ş <b>s</b> | 440 325 CWR Group 200 v 440 5 25 26 72 7.1 20 26 26 27 27 1 20 26 26 27 27 1 20 26 26 26 27 27 1 20 26 26 26 26 27 2 26 26 26 27 2 26 26 26 26 26 26 26 26 26 26 26 26 2   | 12   | ### 12   10   10   10   10   10   10   10  |
|            | 99 76 Omers Abread St. 9 118 59 74 1   | 110  | 197   11   10   11   10   12   10    |
| *          | ### 250   137   25   23   23   23   23   23   23   23  | 240 13/8 per ton Tryst.  | 100    |
| *          | 195  RF (Hidge)  | 604 450948 (Land   | Six    |
|            | ### 12564ccord Pub Sp.   175   18   20   18   19   12   18   19   19   19   19   19   19   19  | 315   system from A filtr. o   | 74   |
|            | ASSASSOC News  | 100Persont Prop. 18b.   123   2.25   19 2.4 (A.B.)   | 142 1276 from my interval. 8   143 1276 from my interval. 8   144 1276 from my interval. 8   145 1276 from my interval. 8    |
|            | 276  | 1425      | 240 200 Covert Series for 10 1.5 a. 22 4 4. 1.0 2.5 5.8 3.1 7.3 200 Start Country 1 15 a. 7 5 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0  |
| 3          | 10   10   10   10   10   10   10   10  | 0.0    | 270   127    |
|            | 202 Fergins and 202 Fergins an   | SHOES AND LEATHER  100 215F11 Gross Sims 50 v 215 10 5.0 5.0 5.0 100 65Headham Sims 50 v 652 -2 83 2.87 0.5 5.0 5.0 2771 1559 miner N:12 20p. v 162 -2 83 2.87 0.5 5.0 5.0 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.47 1.5 205 10 2.5 205 10 2.47 1.5 205 10 2.5 205 | 153   143   154   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   151   155   25   2   |
| ន្ម        | 12480-run 1988   125   12480-run 1988   125   124   124   125   124   124   125   124   124   125   124   125   124   125  | TEXTLES    1   | 27   315     |
|            | 333 3055marif Cerran<br>3455marif Cerran<br>3455mari | 128 (1 years) 16 20. y 164 - 2 4.5 4 3.4 6 3.1 6 9 3.5 (1 years) 16 2 2 - 3 6 3 3.6 3.6 (1 y 2 y 2 y 2 y 2 y 3 5 3 6 3 9 8 9 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1   | 12   12   13   13   15   16   15   15   16   16  |

DRG up 13 at one stage as amarketmaker marked prices up and others followed, before closing with a gain of 6 at 389p. AGB Research responded to weekend Press comment with a rise of 2 to

erress comment with a rise of 2 to 243p, after 248p. Dealers are expecting an announcement soon Boase Massimi Politit con-tinued its recent return from the doldrums and rose 5 to 276p after

announcing it had won an account from Scottish Amerahle.

Among Properties, Rosehaugh

ran into profit taking after recent strength on the King's Cross redevlopment deal and reacted to

close 10 cheaper of 776p. Bat Industries, helped by the

favourable decision from the state of Arizona on its hid for Farmers, again traded hriskly (some 4.4m shares changed hands) with both London and US

buyers showing interest.
Turnover in the Traded,

Options market contracted to 20,172 made up of 14,022 culls and 6,150 puts. Lonrho, ahead of Thursday's interims, accounted for 1,050 calls and 36 puts.

Traditional Options

• First dealings May 31

Last declarations Sept 1

For rate indications see end of

London Share Service

Dealers reported a noticeable

increase of activity in the Tradi-tional option market yesterday.

Stocks favoured for the call included Sun Oil, Suter, M. Page.

Tranwood, Tuskar Resources, Trimoco, Coloroll, Laporte, Bod-ycote, Ragian, Associated Energy, J. Jarvis, Bristol Chan-nel, British and Commonwealth, Norfolk Capital and Stormgard.

A put was arranged in NSM.

while dpuble options were trans-acted in Harrls Queensway and

• Last dealings June 10

• For Settlement Sept 12

over the summer

Equity market interest was not however confined to the

Rowntree shares edged up by 2 to 1035p as rumours circulated that

Nestlé would disclose its revised hid very soon. The weekend press

had suggested that the final hid

might fall somewhere short of

been speculating. The City was unsure what to make of Suchard's announcement that it is taking a majority stake in Pav-lides Chocolate Manufacturers,

second largest confectioner in

Brisk demand (4.6m shares) in

Cadhnry Schwappes saw the

reports that senior executives of

General Cinema, the US holder of

an 18.4 per cent share stake, are

in London this week. The Cad-

bury camp denied suggestions of

The rest of the food manufac-

turing and consumer sector also

fell under the speculative spot-light. Grand Metropolitan, active

last week on rumours that it

might be interested in hidding for

Moet-Hennessy Louis Vuitton of

France, moved up in late deals. However, the disclosure that

Bond Corporation of Australia

will bid £337m cash for the Bell

group took the speculative heat

off Allied Lyons.

discussions with Coca-Cola.

The BANK of England's decision vesterday to engineer another internationals. Attention also half point increase in domestic continued to focus around the bid half point increase in domestic interest rates had been well discounted in the UK securities mar-kets, which chose to concentrate on the positive, anti-inflationary.

implications of the move.
Longer-dated Government bonds responded positively to the might fall somewhere short of half point rise to 8!: per cent in the £11 on which the market has UK hase rates, moving up by 13 or so. The mediums gained about 1/4. However, there was not much retail support for Gilts which were still keeping a cautious eye on the US bond market. The City was a little surprised

by the timing of the move hy the Bank, which acted when sterling was looking firmer. However, this also served to huttress the market's view that the authorities were showing a prudent regard for the domestic economy.
This accorded with comments

in the UK financial press at the weekend that last week's increase in base rates was not a "panic" response to the fall in sterling but a strategic move hy the UK financial authorities. One UK hrokerage house suggested yesterday that domestic rates might be heading up to 10 per

Equities, which had been hanging fire during the morning, took a significant turn for the better towards the close, breaking through an important chart barrier of 1820 on the FT-SE scale to close with a double digit gain.

The final reading showed a net rise of 13.5 points to 1832.7 in the another strong wave of buying interest in the oil and gas sector FT-SE 100 Index. Overall, however, trading volumes were disappointing, as indicated by the Seaq total of 380.2m shares.

The final upturn in market stocks. indices reflected widespread The price paid for Texas East-gains in the international blue em's interests was said to have chips, led by ICI, Glaxo, BAT Industries and Shell. Turnover in these leaders was low, however, with only 814,000 ICI and 1m Glaxo shares traded - indicating that the institutions are still

behaving with cantion.
The market's perception is that these major exporting groups stand to gain more from the fall in the pound than they will lose from the increase in domestic turnover of 1.1m.

The rise in interest rates presents little threat to the valuation basis of the equity market", commented Prudential-Bache shortly before the latest base rate hike. "The recent strength of sterling corporate profitability and the balance of payments". Thus, the firm argues that investors senti-

SOUTHY COOLING

#### Gilts and equities take positive stance on latest ment to UK equities may improve

increase in bank lending rates

|                      | June.  | June    | Juge.   | June   | May     | Year     | 1958           |          | 5 arce Ca | Since Comprission |  |
|----------------------|--------|---------|---------|--------|---------|----------|----------------|----------|-----------|-------------------|--|
|                      | 6      | 3       | 2       | 1      | 31      | Ago      | High           | FEM      | H-Gr      | Low               |  |
| overnment Secs       | 89.62  | 89 43   | 89 30   | 89 60  | 89 97   | 92.13    | 91 43          | 86.97    | 127 4     | 49 18             |  |
|                      |        |         |         |        |         |          | 118/41         | 123/21   | 19:1:35   | 3/1/75            |  |
| xed Interest         | 98.49  | 98.32   | 98 38   | 98 36  | 98.63   | 97 95    | 93 67          | 94 14    | 105 4     | 50 53             |  |
|                      |        |         |         |        |         | 1        | (25,5)         | (3/1)    | 28,11,47  | 49 4              |  |
| diary 🛡              | 1452.8 | 1444.4  | 1443 4  | 1439.6 | 1427 5  | 1727.2   | 14787          | 1345 0   | 1926 7    | (26/6/40          |  |
|                      |        |         | 224 0   | 224.5  | 217.3   | 395.5    | (4)3)<br>312.5 | 1954     | 734 7     | 43.5              |  |
| old Mines            | 234.3  | 232.1   | 2240    | 224.5  | 2.3     | 2005     | 7711           | 113/5:   |           | 26:10/7           |  |
|                      | ľ      | •       |         | 1      |         |          |                |          |           | -20               |  |
| d. Olv. Yield        | 4.54   | 4 58    | 4 58    | 4 59   | 4 64    | 3 29     | !              |          | TIVITY    |                   |  |
| arnings Yid. %(full) | 1166   | 11 76   | 11.76   | 11 80  | 11.93   | 7 92     | h              | reites   | June 3    | June 2            |  |
| E Ratio (net)(*)     | 10 49  | 10 41   | 10.40   | 10 37  | 10 26   | 15.56    |                | Bargains | 237 9     | 124 6             |  |
| EAQ Bargains (Spm)   |        | 32 180  | 27,761  | 23,719 | 23 984  | 50,082   | Equity Barr    |          | 227.5     | 187 7             |  |
|                      | 1      | 1370 03 | 1190 75 | 1142 9 | 1012 59 | 1021.06  | Early Value    | e<br>Ge  | . 2769 2  | 2496 8            |  |
| pulty Yumover (Em)   |        |         |         |        | 26 488  |          | Gut Front      | Sargaus  | 116.1     | 1182              |  |
| sulty Bargains       | ٠.     | 35 108  | 28.973  | 27 816 |         | 55.091   | Easily Bar     | 2015     | ] 184.7   | 1719              |  |
| hares Traded (mi)    | -      | 5715    | 491.4   | 427 6  | 366.5   | 486.7    | Equity Valu    | e .,     | 2276 1    | 2181.3            |  |
|                      | L      |         |         | L      |         | <u> </u> | <u></u>        |          |           |                   |  |
| Opening 10 a         | 2 00   | 11 a.m  | T 12    | p.m.   | 1 p.r   | 7. T     | 2 p.m.         | 3 p.m    | 4         | p.m.              |  |

Basis 100 Gont. Sees 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mires 12/9/55, S E Actiony 1974, " Not = 10.39,

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

presentation to institutions at those banks with bid potential" brokers Kitcat & Aitken. Ques-tioned on current trading at Lad-Life assurances were among

Texas Eastern's sale of its North Sea interests to Spanish group Repsol for \$276m and news of a gas find in the North Sea by gave a further fillip to Standard Chartered which jumped 11 to tomorrow's agm.
493p amid speculation that Bell New USM issue Arthur Shaw US oil group Mohil triggered Group's 14.9 per cent stake could soon be on the move to a possible with particular emphasis on the exploration and production predator; rumours in the market at 115p, a premium of 10p on the

increased the going rate for The Bell stake in Dewey War-ren, and, via Dewey, merchant over.

The hrewers were subdoed at North Sea assets, coming hard on the heels of the bids for Britoil, Tricentrol and Acre. LASMO were immediately hid np on the news and closed 8 higher at 436p on turnover of 3.8m shares, while a fresh wave of huying interest in the start by news of Bond Corpo-the latter which raced up 12 to ration's bid for the Bell Group 303p. Market apeculation in which reduced the likelihood of Enterprise added 3 at 435p. British Gas hardened to 174½p on 6.5m shares, while American huying lifted Shell 10 to 1076p on

bands. announcing two sets of disposals - seven botels to the Penguin helped by the increase in base Grand Metropolitan was well hotel Group for £30m and the Kensington Exhibition Centre on the sector by Citicorp Scrimand Climbed 13 to 520p as marketand Kensington Bangneting Suite group Vickers. The sector is now makers covered short positions. more in tune with fundamentals and prospects than has been the case for some time. We remain settled 9 to the good at 219p. Few Ladbroke shares raced up 10 to 436p on turnover of 1.3m with buying interest developing signifmore to come, particularly for ment from the group when it LOAMS ID N'mode Ang. 10,100 22288, Do. icantly after a majorcompany

broke, Cyril Stein, chairman and the day's best performers, with managing director said he was dealers citing takeover speculation and a stock shortage as News that Alan Bond has being partly responsible for good launched a £377m takeover bid gains throughout the sector. Pra-for Bell Group, formerly con-dential jumped 4 to 161p on turn-trolled by Robert Holmes a Court, over of 6.6m, while Fearl advanced 13 to 497p ahead of

a safety and security firm, had a successful debut, ending the day continued to put up Australian offer price, Guinness Mahon banking group Westpac as the opened on the main market at most likely candidate to hid for 90p, but strengthened through the day to close at 104p in what

recent weeks has suggested that Bond hidding for Allied Lyons. the 21 per cent plus stake in Allied shares opened lower, Morgan held hy insurance broker touching 422p, before rallying to Willis Faber is about to change close at 426p, down 3 on turnover of 2.8m. Bass rose 15 to 804p, but The "big-four" banks man was hampered by a large line of aged to record minor gains, stock overhanging the market.

convinced that there is much analysts are expecting any excite

announces preliminary figures on buying found the market none too well supplied with stock.

Reuters, 11 to the good at 507p, and British Aerospace, which met with keen early support and closed 11 better at 405p. Speculative demand prompted

sharp rise of 11 to 317p in Nu-Swift. Snter stake speculation continued to hoots Newman Industries which put on 4 more to 63 %p and Metal Closures, up a few pence further to 209p, Satisfactory preliminary figures left Sketchley 3 to the good at 333p. Coloroll, reflecting its successful offer for J. Crowther, improved 7

T and N, down a shade at 165% p. failed to benefit from the Industrie for £3.8m. Sime is the

Thursday, However, yesterday's Currency influences helped

hined with low risk."

proposed acquisition of Sime leading French manufacturer of fluid couplings and industrial
safety brakes. USM quoted Pacer
Systems tumbled 17 to 93p on the
forecast of significantly lower

sealing reach manuacture to the leading for Amari, while T.
Rohinson edged up 3 to 411p as
Coloroll won the day in the battle
for control of J. Crowther.

**NEW HIGHS AND LOWS FOR 1988** 

Takeover speculation returned to the food manufacturing sector where United Biscuits Jumped 9 to 303p on turnover of 4.3m. Unigate, where stake - building talk continued to circulate, added 6 at 120 to 120 current year profits.
Harris Queensway leaped 12 to
158p on turnover of 2.2m shares 312p, and Dalgety 10 to 320p. Tate & Lyle rose sharply in response to the sale of Staley unit CFS for \$700m in cash, and also on talk of amid market rumours that news of the consortium huyout of the group is immlnent; there were a broker's upgraded profits forealso stories of strong huying from British Dredging featured, ris-

Currency influences were the

The motors sector saw Jaguar

Associated Newspapers rose 9

ing. Reed International eventu-

ally managed to follow the mar-ket higher and ended the day 7

Agencies were lively, with Trimoco.

Continental sources. Other stores were harely ing 10 further to 147p, after 149p. affected by the revised April as Newarthill increased its stake retail sales figure which was further to 221 per cent Ruberold, still reflecting speculation about Raine indstries' recently acquired upgraded from 0.2 per cent to 0.7 per cent. Ratners benefited from huying ahead of the analysts trip huying ahead of the analysts trip to the group's US operations scheduled for Thursday.

FKI Babcock jumped 5 to 127p on a sharply increased turnover on a sharply increased turnover interim figures next Monday, put

7 to 110p, while Vihroplant, results due a week later, advanced 20 to 725p. of 5.8m shares following the revelation that the company is plan-ning a Wall Street flotation of the

company's US interests. The telecommunications duo major factor behind a fresh rise made further good progress. Brit- of 13 to 1024p in ICL Leigh Interish Telecom moved up 4 to 240p on turnover of 3.3m ahead of ests, the waste disposal group, were again keenly bought ahead Thursday's preliminary figures, of the Thursday's preliminary fig-Forecasts range from around £2.25 to £2.32 hn with the majorures and put on 10 more to 253p. The rise was accompanied by ity of brokers going for £2.29 bn.

vague speculation about o possi-ble hid from BET. Coalite, annual But the main impetus for BT's upward move came from a "huy' results due today, closed 9 to the recommendation issued by BZW. good at 302p. The securities house has upped its current year forecast for BT from £2.48 bn to £2.57 hn, and says "investors should be able to raily on ADR strength in New York to close 4 better at 272p. look forward to a total return of to 488p as the story that it will 16-20 per cent per annum com-sell Blackfriars Oil & Gas was revived. A Blackfriars spokesman said there was nothing to report, but dealers noted a lack of sell-

Adwest featured the Engineering sector. moving ahead strongly amid persistent takeover speculation which left the shares 301/2 higher at 3521/2p. Tomkins was being put forward as a possihle predator. Elsewhere, Braith-waite were noteworthy for a gain of 10 at 243p in response to the recovery in annual profits, while speculative activity in a limited market left Hall Engineering 15 to the good at 365p. B. Priest, reflecting a newsletter recommendation, firmed 2 to 22½p. Glynwed rallied 5 to 442p on further consideration of the recom-

TRADING VOLUME IN MAJOR STOCKS The following is based on trading volume for Alpha securities dealt through the SEAD system yesterday until 5 pm

General Accident ...
General Elect. ...
Glavo ...
Glavo ...
Globe Investment ...
Granada ...
Granada ...
Gus - A ...
Guardian R E ...
GKR ...
GKN ... 10) JDC 12 9 80, CHEMICALS (1) Chemosy Inf1, ELECTRICALS (1) Telecomputing, POCIDS (2) Acatics & Nutcheson, Sangbury, REDIRETERALS (4) British Almess, Kerbasy India, MacLarlene Group, Unitics, RECHEPAPERS (1) Ind. Newspaper, PAPERS (3) Chapman India, Cration Lodge, Farguson Ind. Mill. Respector Coroup, Winny MacLaysLawd, EMPPERS (1) P & O 312D Rd Pri. TRUSTS (2) Mercury, Assess Migners, Nac. Horse Ln. 712pc Cv. PT. OLES (1) British Borney, OVERSEAS TRADERS (1) Utd. Plants Alrica, MRDES (1) New Woot. incheage
Jaguar
Ladirole
Marinel
Ladirole
Marinel
Ladirole
Marinel
Ladirole
Marinel
M Bornah Oll ...

RISES AND FALLS YESTERDAY

#### FT - ACTUARIES INDICES

to Randsworth Trust for £7m.

Ladhroke was in the news.

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

|          | EQUITY                               | GROU        | P\$                                     |             | H          | londay          | Ja                          | ne 6 1                                     | 988                           |                            | Jun               | 100              | Jus              | ago Year           |
|----------|--------------------------------------|-------------|---|-------------|------------|-----------------|-----------------------------|--|-------------------------------|----------------------------|-------------------|------------------|------------------|--------------------|
|          | & SUB-S                              | ECTIO       | ONS                                     | _           |            | - 1 -           | _                           | 6  | Fee                           |                            | 3                 | 2                | 1                | (approx)           |
| Fig      | ures in parenthes<br>stocks pe       |             |   | of Ind      |            | 's Yie          | st.<br>nings<br>ld%<br>ax.) | Gross<br>OH.<br>Yield%<br>(Act at<br>(25%) | Est.<br>P/E<br>Ratio<br>(Net) | nd adj.<br>1988<br>to date | Index<br>Ng.      | Index<br>No.     | Index<br>No.     | tudes<br>No.       |
| 1        | CAPITAL GOODS                        | (208)       | ******                                  | 767         | .76 +      |                 | 0.16                        | 3.96                                       | 12.26                         | 11.31                      | 765.10            |                  | 762.75           | 924.99             |
| 2        | Suliding Materi                      | als (29) .  |   | 992         |            |                 | 0.97<br>0.38                | 4.01                                       | 11.23                         | 11.36<br>25.92             | 990.42<br>1545.89 |                  | 991.61           | 1205.10<br>1547.61 |
| 3        | Contracting, Con<br>Electricals (12) | BURCLIO     | 1651                                    | 1301        | -01        |                 | 9.32                        | 3.42<br>4.83                               | 12.74<br>13.33                | 45.53                      | 2067.40           |                  |                  |                    |
| 5        | Electronics (33)                     |             |   | 1410        | 20         |                 | 134                         | 3.35                                       | 12.61                         | 17.77                      | 1629.75           |                  |                  |                    |
| 6        | Electronics (32)<br>Mechanical Eng   | neerine     | (56)                                    | 105         | 100        |                 | 9.93                        | 4.39                                       | 12.58                         | 6.85                       | 390.88            |                  | 399.96           | 494.78             |
| ä        | Metals and Meta                      | al Enveniu  | па (7)                                  | 445         | .351 +     |                 | 0.64                        | 5,79                                       | 12.19                         | 6.82                       |                   |                  |                  |                    |
| 9        | Motors (13)<br>Other Industrial      |             |   | 273         | .77 +      |                 | 1.50                        | 4.49                                       | 9.83                          | 5.22                       | 273.20            | 271.74           | 271.48           | 348.30             |
| 10       | Other Industrial                     | Maleria     | s 124)                                  | 1288        | .87 +      |                 | 9.02                        | 4.33                                       | 13.19                         | 21.24                      | 1277,94           |                  | 1272.63          |                    |
| 21       | CONSUMERGR                           | DUP (187    | )                                       | [108]       | .20 +      |                 | 1.85                        | 3.53                                       | 14.37                         | 13.03                      | 1074.76           |                  |                  | 1282.41            |
| 22       | Brewers and Oist                     | tillers (2) |   | [1121       | .57 +      |                 | 0.61                        | 3.60                                       | 11.84                         | 13.58                      | 1112.36           |                  |                  |                    |
| 25<br>26 | Food Manufactu<br>Food Retailing (   | 161<br>161  | ,                                       | 1081        | 41 +       |                 | 8,44<br>8,58                | 3.53°<br>3.28                              | 15.23<br>15.55                | 13.67<br>21.46             | 956.49<br>1991.69 |                  |                  | 989.98<br>2363.46  |
| 27       | Health and Hous                      | ebold (1:   | 23                                      | 1827        | .03        |                 | 6.67                        | 2,62                                       | 17.69                         | 18.93                      | 1815.32           |                  |                  |                    |
| 29       | Le)sure (30)                         |             |   | 1317        | 24 +       |                 | 7.97                        | 3.61                                       | 16.05                         | 18.36                      | 1305.96           |                  | 1298.91          |                    |
| 31       | Packaging & Pa                       | oer (171    |   | 492         | .481 +     |                 | 7.14                        | 3.93                                       | 14.29                         | 6.18                       | 470.56            |                  | 479.86           | 668.04             |
| 32       | Publishing & Pri                     | inting (16  | 6)                                      | 3412        | .85 +      |                 | 8.17                        | 4.36                                       | 15.51                         | 44.73                      | 3387.82           |                  |                  | 3801.23            |
| 34       | Stores (35)                          |             |   | 016         | .03 +      |                 | 0.05                        | 3.89                                       | 13.19                         | 11.24                      | 811.50            |                  | 816.82           |                    |
| 35       | Textiles (18)                        |             |   | 582         | .23        |                 | 1.54                        | 4.52<br>4.28                               | 10.11                         | 10.99                      | 585.96            |                  | 582.74<br>865.45 | 756.41<br>1119.35  |
| 40<br>41 | OTHER GROUPS<br>Agencies (19)        | 172/        | *************************************** | 1147        | .01        |                 | 0.83<br>7.13                | 2.32                                       | 11.38<br>17.68                | 10.17                      | 873.77<br>1149.85 |                  |                  | 1491.34            |
| 42       | Chemicals (20)                       |             |   | 1829        | 53         |                 | 1.75                        | 4.76                                       | 18.41                         | 21.53                      | 1011.76           |                  | 990.88           | 1342.25            |
| 43       | Conglomerates (                      | 23)         |   | 1173        | 51 +       |                 | 0.69                        | 4.50                                       | 10.85                         | 16.27                      | 1172.78           |                  |                  | 1337.97            |
| 45       | Shipping and Tra                     | ensport ()  | (2)                                     | 1780        | .55) -(    |                 | 0.67                        | 4.63                                       | 12.48                         | 29.61                      | 1902.52           |                  | 1921.22          | 2225.38            |
| 47       | Telephone Netwo                      | orks (2)    |   | 945         | 27 +       |                 | 1.39                        | 4.36                                       | 21.69                         | 0.06                       | 929.51            | 932.65           | 939.99           | 1245.78            |
| 48       | Miscellaneous (2                     | (6)         |   | 1199        | .00 _+     | _               | 1.14                        | 4.21                                       | 10.16                         | 19.26                      | 1169.91           |                  | 1135.01          | 1481.13            |
| 49       | INOUSTRIAL GR                        | 10UP (48    | 7}                                      | 956         | 40 +       | 0.7             | 9.72                        | 3.85                                       | 12.80                         | 12.64                      | 949.86            | 948.11           | 947.23           | 1156.86            |
| 51       | On & Gas (13)                        |             |   | 1858        | .87 +      | 1.5   1         | 0.39                        | 5.50                                       | 12.43                         | 39.00                      | 1848.84           |                  | 1311.72          | 2155.55            |
| 59       | SOO SHARE IND                        | EX (500)    |   | 1032        | 59 +       | 0.7             | 9.82                        | 4.09                                       | 12.81                         | 14.34                      | 1025,75           | 1021.43          | 1824.34          | 1241.40            |
| 61       | FINANCIAL GRO                        | XIP (127    | 1                                       | 695         | 53 +       | 0.4             | _                           | 4,79                                       | -                             | 14.08                      | 692.50            | 689.10           | 617.94           | 749.56             |
| 62       | Banks (8)                            |             |   | 668         | .94 +      |                 | 131                         | 6.10                                       | 6.29                          | 18.03                      | 662.39            |                  | 659.97           | 783.04             |
| 65       | Insurance (Life) (                   | 8)          |   | 1008        | .46 +      |                 | - 1                         | 4.97                                       | -                             | 24.97                      | 994.41            | 969.82           | 959.49           | 1046.00            |
| 66       | Insurance (Comp<br>Insurance (Broke  | asite) (/)  |   | 532         | .67        |                 | 0.06                        | 5.55<br>6.53                               | 12.89                         | 13.82<br>26.47             | 531.71<br>977.79  | 529.94<br>958.75 | 526,77<br>952,84 | 546.14<br>1209.39  |
| 68       | Merchani Banks                       | (1) (//     | •••••                                   | 354         | A5 -       |                 | -00                         | 3.90                                       | -                             | 3.94                       | 351.82            |                  | 348.73           | 385.65             |
| 69       | Property (51)                        |             |   | 1219        | 34 -4      |                 | 1.78                        | 2.61                                       | 26.77                         | 21.21                      | 1224.46           | 1222,44          |                  | 2148.80            |
| 70       | Other Financia)                      | (29)        |   | 303         |            |                 | 9.92                        | 4.67                                       | 12.68                         | 5.96                       | 383.51            | 388.AS           | 381.31           | 488.99             |
| 71       | Investment Trust                     | s (81)      |   | 877         | 35 +       | 1.2             | - 1                         | 2.99                                       | -                             | 24.24                      | 875.93            | 878.18           | 245.69           | 1233.06            |
| aı       | Mining Finance                       | (2)         |   | 539         | 41 +       |                 | 3.96                        | 3,49                                       | 12.62                         | 0.12                       | 529.74            | 511.67           | 512.20           | 509.05             |
| 91       | Overseas Traders                     |             |   |             |            |                 | ,82                         | 4,92                                       | 12.11                         | 27.23                      | 1142.22           | _                | 1120.61          | 1945.59            |
| 99       | ALL-SHARE IN                         | EX (712     | ) <u></u>                               | 944         | 69 +       | 16              |                             | 4.16                                       |                               | 14.09                      | 938.84            | 934.42           | 932.77           | 1309.39            |
|          |                                      |             |   | Inde        |            |                 |                             | Day's                                      | Jan                           | Jun<br>2                   | Jan               | May<br>31        | Na.              | Year               |
| -        | FT-SE 100 SHA                        | DE THAT     | <u> </u>                                | 183         |            |                 | 90<br>32.7                  | 1816.5                                     | 1819.2                        |                            | 1885.7            |                  | 27<br>1783.7     | 2223.4             |
|          | F1-3E 100 3RM                        | RE INVE     | ^ 4                                     | 103         | 2.71 +1    | 33 1 14         | 32.71                       | 2449-31                                    | 1017.2                        |                            | 2003-1            |                  | 1/00-/           |                    |
|          |                                      |             |   |             |            |                 |                             | AVER                                       | GE GRO                        | 55                         | - 1               | Mon              | Fri              | Year               |
|          | FIX                                  | XED ]       | INTE                                    | REST        |            |                 | ш                           | REDE                                       | PTION                         | YIELDS                     |                   | Jun 6            | Jun 3            | ago<br>(approx.    |
|          |                                      |             |   |             |            |                 | ┸                           |  |                               |                            |                   | _                |                  |                    |
|          | PRICE                                | Mon         | Day's                                   | Fri         | xd adj.    | xd adj.         |                             |  | Generalise                    | est<br>5 years             | - 1               | 8.91             | 8.94             | 7.90               |
|          | INDICES                              | Jun<br>6    | change                                  | Jur<br>3    | today      | 1988<br>to date |                             | 1 Low<br>2 Coupon                          | 5                             | 15 76273                   |                   | 9.21             | 7.26             | 8.78               |
| _        |                                      |             | <del></del>                             | <del></del> |            | to upic         |                             | 3  |                               | 25 years.                  |                   | 9.03             | 9.06             | 6.71               |
|          | British Gavernment                   | 1           |   |             |            |                 | l :                         | 4 Medium                                   |                               | 5 years                    |                   | 9.35             | 9.48             | 8.77               |
|          | S years                              | 122.77      |   | 122.78      | 0.15       |                 |                             | S Coupon                                   | 5                             | 15 years<br>25 years       |                   | 9.21             | 9.27             | 2.93<br>4.93       |
| -        | 5-15 years                           | 141.21      |   | 140.77      | -          | 4.60            | ' 1                         | 7 High                                     |                               | 5 years                    |                   | 9.44             | 7.48             | 8.74               |
| _        | Over 15 years                        | 149.30      |   | 148.88      | _          |                 |                             | В Сощрон                                   | 5                             | 15 years                   |                   | 9.55             | 9.60             | 9.86               |
|          |                                      | 165.91      |   | 165.47      | 1          | 6.31            | 1 .                         | 9<br>kredee                                | mahlee                        | 25 years                   |                   | 9.27<br>9.10     | 9.32             | 8.85<br>8.79       |
| s        | All stocks                           | 137.49      | +6.26                                   | 137.20      | 0.07       | 4.99            | <u>'</u>                    | Index-L                                    |                               |                            |                   |                  |                  |                    |
|          | (ndex-Linket)                        | l           |   |             |            |                 | 1:                          |  | n rate 5%                     |                            | 5yrs.             | 2.73             | 2.81             | 2.33               |
|          |                                      | 127.59      |   | 127.27      | <b>)</b> – | 0.51            | 1                           | 2 Inflatio                                 | n rate 5%                     | Over                       | 5 yrs             | 3.84             | 3.87             | 3.59<br>1.93       |
|          | Over 5 years                         | 120.6S      |   | 120.14      | -          | 1,18            | 1 .                         |  | m rate 10°                    |                            | 5 yrs.            | 1.77<br>S.68     | 1.86<br>3.70     | 1.93<br>S.50       |
| 8        | All stocks                           | 121.0S      | +0.41                                   | 120.56      | -          | 1.12            | _                           | 4 Inflatio                                 | ur Lang 10.                   |                            | 5 yrs.            | _                |                  | _                  |
|          |                                      | 110 00      | 0.50                                    | 110 00      | 0.03       |                 | 1 !                         | Deks &                                     |                               | ,5 ye                      | rs                | 10.23            | 19.26            | 9.59               |

E & Later . 118.82 | +0.59 | 118.80 | 0.67 |

**LONDON TRADED OPTIONS** 

MEW HIGHS (198).

AMERICANS (4) CANADIANS (2) BANKS (3)

AREWERS (4) BUILDINGS (7) CHEMICALS (8)

BTORAS (9) ELECTRICALS (12) ENGINEERING
(8) FOODS (1) HOTELS III PROJETRIALS (22)

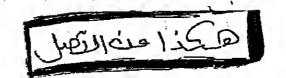
BUSURANCE (2) LEBURE 15) MOTORS (4)

PAPERS (8) PROPERTY (7) TEXTILES (17)

TRUSTS (10) DILE (8) MMES (13) THORD MAR
RET (1).

| (*140 )                    | 140                      | 7 2                         | 13               | 18              | 22                    | 10                         | 13                   | 15781                        | 650                       | 18             | 34<br>17                    | 47                          | <del>7</del>               | 50<br>87             | 60              |
|----------------------------|--------------------------|-----------------------------|------------------|-----------------|-----------------------|----------------------------|----------------------|------------------------------|---------------------------|----------------|-----------------------------|-----------------------------|----------------------------|----------------------|-----------------|
| Brit. & Coron.<br>(*261 )  | 240<br>260<br>280        | 30<br>15<br>7               | 27               | 45<br>30<br>20  | 11<br>22              | 17<br>28                   | 12<br>22<br>33       | (*205 )                      | 180<br>200<br>220         | 28<br>13<br>5  | 33<br>22<br>12              | 28<br>16                    | 12<br>27                   | 15<br>30             | 12<br>20<br>33  |
| 8.P<br>(*2±9.1             | 240<br>260<br>280        | 34<br>16<br>65              | 38<br>234<br>125 | 30              | 2<br>5<br>154         | 5½<br>12<br>23             | 16<br>26             | P'esser<br>1*355 }           | 140<br>150<br>180         | 19<br>7<br>24  | 25<br>14<br>7               | 29<br>10<br>11              | 3<br>10<br>27              | 7<br>15<br>29        | 9<br>18<br>30   |
| Bass<br>(*798 1            | 750<br>800<br>850        | 57<br>25                    | 75<br>42<br>22   | 52<br>32        | 22<br>62              | 375                        | 40                   | Processial<br>(*154 )        | 150<br>160<br>170         | 14<br>0<br>4   | 18<br>12<br>8               | 17                          | 4<br>7<br>15               | 11<br>17             | 14              |
| Cable & Wire<br>(*358.)    | 330<br>360<br>340        | 35<br>15<br>4               | 45<br>28<br>14   | 37              | S<br>18<br>40         | 127                        | 23                   | Recol<br>1°321 )             | 300<br>330<br>360         | 17 6           | 46<br>28<br>18              | 36<br>43<br>28              | 25<br>26<br>46             | 1B<br>11<br>45       | 20<br>36<br>48  |
| Cers. Gold<br>(*1050)      | 1000<br>1050<br>1100     | 80<br>57<br>37              | 125              | 150<br>105      | 30 SE                 | 110                        | 700                  | RTZ.<br>(*442 I              | 390<br>420<br>460         | 288            | 75<br>52<br>30              | 828                         | 5<br>10<br>27              | 11<br>22<br>37       | 17<br>27<br>42  |
| Courtanids<br>(*337 )      | 300<br>330<br>360        | 4528                        | 332              | 43              | 5<br>14<br>33         | 119                        | 27<br>42             | Vaal Reefs<br>(*\$95.)       | 90<br>100                 | 17<br>10<br>54 | 19<br>12<br>64              | 16                          | 114<br>412<br>10           | 9½<br>15             | 13              |
| Com Union<br>(*375 )       | 336<br>360<br>390        | 48<br>10                    | 55<br>33<br>20   | 43<br>30        | 29 23                 | 1025                       | 12<br>23<br>40       |                              |                           |                |                             |                             |                            |                      |                 |
| British Gas<br>(*174 )     | 160<br>170<br>180        | 162                         | 192              | 2272            | 21 <sub>2</sub>       | 5<br>9<br>141 <sub>2</sub> | 7½<br>18½            | Option<br>Anstrad<br>(*185.) | 160<br>180<br>200         | Sp 8           | 33<br>30                    | 39<br>26                    | Jun<br>1                   | Sep 5                | 8<br>15         |
| 6.E C<br>(°147 )           | 140<br>160<br>180        | 11 212                      | 15,              | 18<br>10        | 15                    | 19                         | 21                   | Sarriage                     | 395                       | 2<br>15        | 20<br>20<br>20<br>15        | 40                          | 17                         | 11<br>21<br>18<br>37 | 24              |
| 6.K.H.                     | 280<br>300<br>330        | 40<br>27<br>10              | 24<br>49<br>33   | 57<br>44        | 34<br>1½<br>6         | 37<br>7                    | 10                   | Beretum                      | 429<br>472                | 1 ½<br>64      | 15<br>3                     | 20<br>75                    | 70                         | 37<br>75             | 45              |
| Grand Met.                 | 330<br>430<br>500        |                             | 19<br>70<br>43   | 29              | 19                    | 13<br>28                   | 31                   | (*482 )                      | 458                       | 24             | 38<br>19                    | 48<br>28                    | 2 <sup>1</sup> 2<br>23     | 18<br>38             | 124 45          |
| 1.C.1.                     | 550                      | 1287<br>287                 | 43<br>18         | 82<br>55<br>28  | 45                    | 20<br>47<br>23             | 11<br>25<br>48       | Sects<br>1°217 )             | 888                       | 18 4 1         | 75                          | 27<br>17<br>10              | 7 7 75                     | 9<br>19<br>34        | 10<br>23<br>37  |
| C10140                     | 950<br>1000<br>1050      | 85<br>47<br>25              | 70               | 90              | Z)<br>52              | 43                         | 30<br>53             | 8TR<br>(*268.)               | 240<br>250<br>280         | 30<br>12<br>2  | 38<br>22<br>11              | 40<br>28<br>16              | 1<br>21 <sub>2</sub><br>15 | 6<br>12<br>23        | 7<br>15<br>26   |
| (~270 )                    | 240<br>260<br>280        | 34<br>20<br>91 <sub>2</sub> | 39<br>27<br>17   | 48<br>35<br>27  | 8 18                  | 6<br>14<br>25              | 11<br>20<br>30<br>30 | Bise Circle<br>(*414 )       | 390<br>420                | 25             | 49772                       | 51<br>37                    | 12                         | 15/257               | 18              |
| Land Securities<br>(*578 ) | 255                      | 503                         | 102<br>61<br>30  | 108<br>72<br>42 | 1 6 25                | 17<br>38                   | 10<br>27<br>48       | 01204S<br>[*177]             | 150<br>180                | 19             | 24<br>11                    | 30<br>18                    | 1 6                        | 15                   | 9 19            |
| Marts & Spencer<br>(*173 ) | 150<br>180<br>200        | 16<br>5<br>11 <sub>2</sub>  | 12               | 27<br>15        | 1<br>9<br>28          | 4138                       | 7<br>16<br>30        | 6taro<br>(4930 )             | 900                       | 35             | 80<br>52<br>33              | 92<br>65                    | 7                          | 28<br>30<br>53<br>85 | 45<br>70<br>100 |
| Britol)<br>(*515*)         | 420<br>420<br>420<br>500 | 70                          | 77 50            | 11-11           | 23                    | 2                          | =                    | Hawker Seid.                 | 950<br>3000<br>460<br>500 | 45             | 35<br>35<br>17              | 45<br>75<br>50              | 30<br>75                   |                      | 15 30           |
| Rolls-Royce<br>(*122.)     | 255                      | 15                          | 17               | 20<br>14        | 15                    | B                          | 912                  | (*504.)<br>Harrson           | 120                       | 2 15           | 17                          | 25                          | 50                         | 10<br>23<br>55       | 312             |
| STC<br>(*258.)             | 220<br>240<br>260        | 40<br>23<br>13              | 47<br>32<br>19   | 52<br>38<br>26  | 10 °                  | 3 9                        | 5<br>15              | (°135 )                      | 130<br>140<br>223         | 26<br>11       | 32 22                       | 91 <sub>2</sub><br>39<br>29 | 1.                         | 91 <sub>2</sub>      | 12<br>.?        |
| Salmbery<br>(*215.)        | 200<br>220<br>220<br>240 | 19 7                        | 25<br>15         | 30<br>18<br>10  | 10<br>51 <sup>5</sup> | 18<br>13<br>29             | 8<br>15<br>30        | Midland Bk                   | 240<br>257<br>390         | 312            | 42                          | 53                          | 11<br>11                   | 15                   | 17              |
| Shell Tracs.<br>(*1074)    | 1000<br>1050<br>1100     | 92<br>52                    | 112              | 163             | 28<br>7<br>20         | 23                         | 33                   | 5sars                        | 420<br>460                | 10             | 25<br>16                    | 33<br>19                    | 40                         | 25                   |                 |
| Storehouse<br>(*254.)      | 240<br>260               | 26<br>20<br>8               | 30<br>25<br>16   | 32<br>22<br>15  | 43                    | 65<br>15<br>27             | 20                   | (-114)                       | 120<br>130                | 1 10           | 10<br>6                     | 15<br>9                     | 31 <sub>2</sub>            | 15                   | 16              |
| 7rafalgar Hoses            | 280<br>280<br>300        | 25<br>13                    | 10<br>36<br>23   |                 | 23<br>38              | 42<br>10<br>18             | 32<br>45             | Tesco<br>(*148.)             | 160                       | 1              | 7                           | 10                          | 14<br>34                   | 16<br>34             | 19<br>35        |
|                            | 330                      | 36                          | 12               | 42<br>30<br>17  | 37                    | 40                         | 712                  | Track tone<br>("239 )        | 220<br>240<br>260         | 20<br>4<br>1   | 27<br>14<br>51 <sub>2</sub> | 32<br>20<br>10              | 5<br>22                    | 12 25                | 157             |
| T.S.B.<br>(*103 )          | 100<br>110<br>120        | 14                          | 57               | 6               | 11                    | 19                         | 14                   | Teom EMI<br>(*642.)          | 600<br>650<br>700         | 45             | 쏬                           | 75<br>40                    | 15<br>60                   | 22<br>44             | 30<br>52        |
| (*299 )                    | 390<br>300<br>330        | 29<br>17<br>8               | 28               | <b>484</b>      | 18<br>37              | EPF                        | 19<br>30<br>46       | Uniterer<br>(*464 )          | 420<br>460                | 47             | 62<br>33<br>16              | 70<br>43<br>25              | <del>}</del>               | 18<br>43             | 12<br>24<br>48  |
| Wachsorth<br>(*305 J       | 280<br>300<br>330        | 28<br>12<br>4               | 27               | 45<br>32        | 4<br>4<br>30          | 17                         | 20                   | Wellcame<br>(*538.)          | 500<br>550<br>600         | 40<br>9        | 72<br>42                    | 87<br>60                    | 3 3 2                      | 43<br>22<br>45       | 70<br>54        |
| Option                     |                          | Aug                         | Nov              | Feb             | Apg                   | Nov                        | Feb                  |                              |                           |                |                             |                             |                            |                      |                 |
| Brit Aero<br>(*401 )       | 360                      | 30<br>29<br>14              | 62<br>42<br>26   | 72<br>55<br>40  | 13 30                 | 349                        | 17<br>30<br>45       | Option                       | 1DO                       | Aug            | Nov                         | Feb                         | Abg                        | Nov                  | Feb             |
| (°283 )                    | 265<br>280<br>300        | 瓷                           | 14<br>15         | 30,72           | 7 to 13 to 26         | 1198                       | 21                   | Corn. 915 % 2005             | 100                       | 12             | 34<br>25<br>14              | 30<br>20<br>10              | 100<br>300                 | 311                  | 14<br>14<br>14  |
| BAT leds<br>(*450 )        | 420<br>450<br>500        | 43<br>18<br>7               | 5585             | 60              | 8<br>22<br>55         | 5538                       | 22                   | Tr. 12% 1995<br>(*112)       | 110<br>112<br>114         | 2 13           | ETATE                       | 24<br>1                     | 13<br>20                   | 14<br>25<br>35       | 3               |
| Brit. Telecom<br>(*239 )   | 200<br>220               | 43                          | 27               | 29              | 14                    | 5<br>16                    | 12                   | Option                       | Jun                       | Jei   A        | ing Se                      | e Ju                        | Ja)                        | Aug                  | Sep             |
| Cadhery Science            | 360                      | 65                          | 78               | 18<br>89        | 11                    | 23                         | 20                   | FT-SE 1650                   |                           | 185 1<br>140 1 |                             |                             |                            | 끧                    | 1               |

| Industr<br>Financi   | ials<br>lal and   | Proper                            | Lies   |                                | •••••  |   | 177<br>177<br>34   |                              | 297<br>97  | •  | 83                   | Į.                                      |
|--|---|-----------------------------------|--|--------------------------------|--|---|--|------------------------------|--|--|----------------------|---|
| Plantat<br>Mines .<br>Others   | lons  | *1                                |  |                                |  | ······································  | 2<br>66<br>73  |                              | 297<br>97<br>18<br>0<br>34<br>42   |  | 1                    | 17<br>54<br>54<br>54<br>54              |
| Tot  | tals  |                                   |  |                                |  |   | 916  |                              | 499  |  | 1,5                  | 47                                      |
|  |   | LO                                | ND   | 10                             | l R  | ECENT   | is   | SU                           | ES   |  |                      |   |
| EQUI   | IJE\$   |                                   |  |                                |  |   |  |                              |  |  |                      |   |
| issue<br>Price   | Pasd<br>up  | Latest<br>Remar.<br>Water         | 196<br>High  | S<br>Low                       |  | Stack   | Closury<br>Price   | - 0                          | lifes<br>Div   | Cimes<br>Cor 0   | Grand<br>Yield       |   |
| 150<br>150<br>1280<br>330  | FP<br>120<br>FP<br>FP   |                                   | 77<br>155<br>280<br>80                                       | 3582                           | ASW I<br>Angles<br>Britist   | Barnett Kinnings 2p.<br>Hilgs 250   | 70<br>155<br>280<br>72   | +1 12                        | W7.3   | 25   | 6.3                  |   |
| 980<br>9265  | FP<br>FP  | -                                 | 150  | . 80<br>. 4                    | Carto:<br>Cotten   | So<br>Histor Auctions<br>Histor Wirets<br>SUC & Gen. Gro 100 .  | 148<br>96<br>15<br>176   | +h<br>+2<br>-1               | N125   | 1.5<br>2.7<br>2.0<br>1.8<br>3.0                              | 5941                 | 123                                     |
| 100  | 6 P<br>6 P<br>6 P<br>6 P  | νī                                | 181<br>99<br>105<br>107                                      | 178<br>96<br>90<br>100         | GOVELL<br>GUINGE<br>SHPC   | st Foods 10p<br>Am Endeavour Fe<br>os Maison Hidgs, 10p<br>Broup 127 <sub>2</sub> p   | 180<br>97<br>104<br>107  | +1<br>+1                     |  | •  |                      | 12                                      |
| SPECTOR SPECTO |   | 18/5<br>7/7<br>10/6<br>20/4       | 73<br>160<br>149   | 93553                          | Hand<br>Herrin   | Sack Sarviett Kinsings 2p. Hilps: 250 er. Alliang Usits Sp. Protrietems at Motor Auctions. Hildes: Writings Sp. Protrietems at Motor Auctions. Hildes: Writings Sp. Am Endeavour Fe. Sp. Motoen Hilles: Writings Sp. Am Endeavour Fe. Sp. Motoen Hilles: 100 ps. Am Endeavour Fe. Sp. Motoen Hilles: 100 ps. Am Endeavour Fe. Sp. Motoen Hilles: 100 ps. Motoen Hilles: 100 ps. Motoen Hilles: 100 ps. Motoen Hilles: 100 ps. | 148<br>64<br>153<br>148  | -1<br>-2<br>+1               | W7.3<br>93.3<br>92.5<br>92.5<br>14.0   | NATIONAL   | 43022404             | OCCURSOFI                               |
| 1135<br>55   | 6 p.  | 21/6                              | 光  | 119<br>51,2<br>11,2<br>40      | Acoust<br>1 Jaco<br>1 Do. W  | inti 10p  | 1954   | 72                           | 14.6<br>2.43   | ji   | :                    | 9                                       |
| 6175   | FP.   | 20/5<br>27/5                      | 203  | 175                            | Page II  | lec Group 5p<br>3 Group Wirmts<br>De<br>Hickael) Group 2p   | 120  | -1                           | 12.9<br>12.2<br>W1.3   | 30<br>50<br>32   | įŢ                   | 12                                      |
| - 4550505555<br>- 4550505555   | FP<br>FP  | ν,                                | 253<br>128<br>140<br>26                                      | 198<br>116<br>133<br>221       | Reches<br>Music<br>Scott<br>Scott  | Enventi, Serva  | 233<br>118<br>126<br>26  | ****                         | W35<br>127<br>109  | .025328717625<br>57528617625                                 | 31                   | 111811111111111111111111111111111111111 |
| 253  | F.P.<br>F.P.  | 3/6<br>22/6                       | 95<br>119<br>980<br>178                                      | 2094457                        | Serco G<br>OSbani<br>Sign U<br>Sotheb<br>OSbath  | Group 10p   | 238<br>90<br>116<br>980  | 42                           | 134<br>131<br>132<br>132   | 11<br>27<br>26<br>62   | 39<br>49<br>35<br>14 | 27.75                                   |
| NAS  | FP.   | IJ7                               | と記念に<br>では、<br>では、<br>では、<br>では、<br>では、<br>では、<br>では、<br>では、 | 128<br>128<br>81<br>248<br>136 | Texas le<br>Thornto<br>Total<br>Victaul  | estroments \$1<br>Systems 5p  | 705507148641500771486456456456456456456456456456456456456456   |                              | 12.62<br>W133<br>W425<br>W277<br>PD 91<br>R70<br>W341<br>W254<br>U427<br>W254<br>R255<br>W45 | 37   |                      | 1 9228                                  |
| FIXE   | INT   | ERES                              |  |                                |  |   | 1 22   | -                            | 144.5  | 30   |                      | ₩.                                      |
| Prior<br>£   | Amous<br>Pald<br>up   | A Lates<br>Research               |  | 1988                           | 1  |   | Stock  |                              |  | Class<br>Price   |                      |   |
| 100p<br>1100<br>100p<br>100p<br>100<br>97.08<br>5100<br>100  | F.P.<br>F.P.<br>23.56   | 30/11                             | 134<br>10<br>25<br>129                                       | 200                            | 1291 <sub>3</sub><br>1030<br>24 1<br>400<br>961 <sub>2</sub><br>400<br>941 <sub>2</sub><br>991 <sub>6</sub><br>2000<br>1111 <sub>8</sub> | A & M Group 10se: BBA Group 6: 75pc C Capital & Countres 9 CV Hidgs 6: 25p it Co-De Bank 0: 46bc: Enterprise Dit 10 l. p LIT Hidgs 9: 47pc Ce Lon. & Prov. Shop 11 Wide Angleid 9: 1gc Do Offpre Bd 30: 5. Provining 8 Spc Cm. PSanage Group 6: 5s  | Cv. Un. te<br>or. Rd. Cv<br>Type Lst M<br>t Cv. Cm (   | 1998<br>Pi<br>ort Da<br>M Pi |  | 132<br>104<br>24<br>29                                       |                      | 2                                       |
| •  | F.P. 23.56<br>350<br>F.P. 40<br>F.P. F.P. F.P. F.P. F.P. F.P. F.P. F.P. | 30/11<br>8/7<br>4/8<br>1/7<br>1/7 | 134<br>10<br>25<br>129<br>97<br>411<br>95<br>100<br>11       | 20.00                          | 9612<br>400<br>9412<br>971   | Enterprise 01 10 kp<br>Lift Hides 9 47pc Ca<br>Lim. & Prov. Shop II<br>H wide Anglia 91-se  | LIVE REAL PARTY IN THE PARTY IN | 76 201<br>198 08             | **************************************   | 1321<br>1341<br>1341<br>1341<br>1341<br>1341<br>1341<br>1341 |                      | 4                                       |
| 100<br>165<br>5100   | FA  |                                   | 10<br>11<br>10   | 45<br>29<br>80                 | 100p<br>1111<br>1060   | Platers 6, 25p Dr. Co<br>Prowiling 8 8pc Cm.<br>95amage Group 6.5pc   | Ra Pri 20<br>Car. Rd. C  | Pri<br>102<br>               |  | 96<br>111<br>101   |                      | •                                       |
| 'RIGH  | _   | -                                 |  |                                |  |   |  |                              |  |  |                      |   |
| Arice<br>B   | Afterna<br>Pale<br>Lp   | Remar<br>Date                     | Nig  | 1988                           |  |   | Stock  |                              |  | Chaus  | ij.                  |   |
| 45<br>165  | MAI<br>MAI  | 147                               |  |                                |  | Back of Wales   |  |                              |  | 140  | 1                    | _                                       |



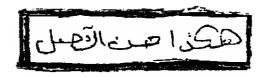
The second secon

point 15 in gent 1 mus 10 grav 11

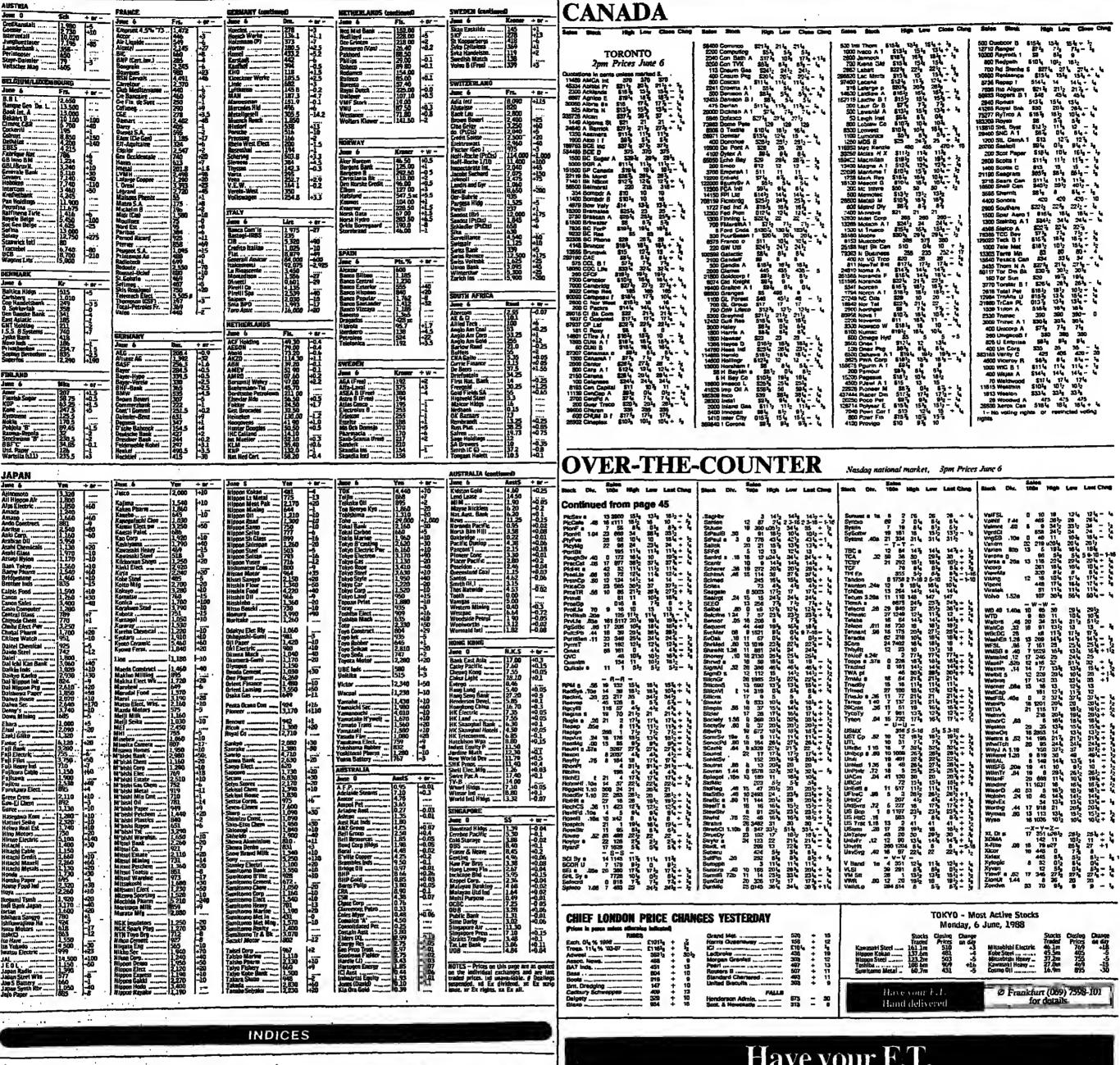
one see ende

to the lite of the

1 ... 133.12-EE



#### WORLD STOCK MARKETS



# Have your F.T. hand delivered in Germany

If you work in the business centres of Hamburg, Berlin, Düsseldorf, Neuss, Köln, Bonn, Frankfurt, Offenbach, Höchst, Eschborn, Rüsselsheim, Mainz, Wiesbaden, Mannheim, Ludwigshafen, Stuttgart, München, or in the Taunus area - gain the edge on your competitors.

Have your Financial Times personally hand delivered to your office at no extra charge and you will be fully briefed and alert to all the issues that influence or affect your market and your business.

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer, Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international finance."

12 ISSUES FREE



Frankfurt 0130-5351

for the cost of a local call and ask Karl Capp for details.

**FINANCIAL TIMES** 

|   |  | Trav | elling on | Business |
|---|--|------|-----------|----------|
| _ |  |      |           |          |

Enjoy reading your complimentary copy of the Financial Times when you're staying . . .

, in Madrid at the
Holiday Inn, Hotel Mignel Angel, Hotel Palace, Hotel Princesa Plaza,
Hotel Ritz, Hotel Villa Magna

Hotel Ritz, Hotel Villa Magna

FINANCIAL TIMES

Europe's Business Newspaper

3.64 CANADA Jan 1 **Jm** 2 - 31 2919.0 3306.4 2520.7 2950.6 G/W 3249.2 3452.4 (1244) 2950.6 3325.0 1638.45 1631.63 1623.89 1608.07 1681.54 (12/4) NEW YORK ACTIVE STOCKS

DOW JONES

302-67

23.59

Jun I

B53.94 847.67 842.44 826.31

178.34 177.45 177.93 176.33

300.88 299.08 298.29 294.19

376.96 574.65 374.81 370.34

307.58 306.36 308.04

24,03 23,91 24,05

4Day's High 2000.73 (2073.26) Low 2040.01 (2030.94)

**NEW YORK** 

1564.1 761.2

4740.6

338.9 123.5

248.0 205.3

2982.6

451.7

453.8

180.66 (4/1)

530.6 (15/1)

396.40 (29/1) 1207.9 (29/1)

2223.56 (8/2)

423.91 (9/2)

327.7E (29/1)

225.50 (4/1)

2148.5 (4/1)

466.6 (13/1)

401.0 (21/1)

714.6 (6/6)

2684.13 (14/4)

412.04 (11/4)

2997.0 (6/6)

463.4 (13/4)

4740.5

335.2 123.5

2590.39 2568.35 2546.67 2516.24

1412.9

407,60

1035.12

2997.9

2975.2

NORWAY 8510 SE (4/1/83) .

SINGAPORE Stratts Times Ind. (30/12/66)

SPAIN Madrid SE (36/12/85)

SWEDEN Jacobson & P. (31/12/56) \_

SWITZERLAND Swiss Bank Ind. (31/12/58)

#### NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued on Page 45



هكذا من النصل

#### Have your F.T. hand delivered in Switzerland

Lf you work in the business centre of BAAR, BASEL, BERNE, GENEVA, LAUSANNE, LUGANO, LUZERN, ST GALLEN, ZUG, ZURICH or WINTER-THUR—gain the edge over your competitors. Have the Financial Times hand delivered to your office at no extra charge and you will be fully briefed and alert to all the issues that affect your market and your issues that affect your market and your business.

# 12 FREE ISSUES

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeneuer, Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international finance."

Geneva (022) 311604 And ask Peter Lancaster for details.

FINANCIAL TIMES

Europe's Business Newspaper

## AMEX COMPOSITE PRICES

Nasdaq national market, 3pm Prices June 6

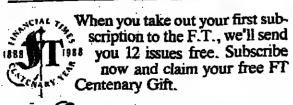
| The content of the 

Continued on Page 43

#### Have your F.T. hand delivered in France

ANTIBES, BORDEAUX, CANNES, GRENOBLE, LYON, MONACO, NICE, PARIS (all arrondissements) plus 92000 postal code, STRASBOURG, TOULOUSE or MARSEILLE — gain the edge over your competitors. Have the Financial Times hand delivered to your office at no extra charge and you will be fully briefed and alert to all the issues that affect your market and your business.





Paris (01) 42 97 06 23 And ask John Rolley for details.

**FINANCIAL TIMES** 

#### AMERICA

# Market recovers after nervous start

#### **Wall Street**

AFTER last week's stunning rallies in both equities and bonds, US financial markets perhaps predictably started the week on a ess assured note, writes Janet Bush in New York.

Both markets drifted lower yes-terday morning before recovering their losses by the close.

The Dow Jones Industrial Average recovered from a decline

of 15 points in early afternoon trading to close 3.91 points higher at 2,075.21

About 150m shares changed hands, above the level of activity seen throughout most of last month but still well below high daily totals recorded last week.

The US Treasury bond market fall prey to some profit-taking yesterday morning and prices were quoted up to % point lower. By late trading, most of those

ses had been recouped. Prices were quoted marginally lower than Friday's close in medium maturities, but at both the long and short ends of the yiald curve, were quoted

In late trading, the Treasury's benchmark 30-year issue was quoted unchanged for a yield of 9.05 per cent.

The key factor pressuring bond prices in the morning was another surge in the Commodity Research Burean's futures index. closely watched by the Treasury market as an indicator of infla-

grain prices, boosted hecause of unusually dry weather in the of last week's rally has worried many traders who feel a steadier, precious metals such as platinum slower rise in prices would be and silver have also been factors. Commodity prices rose suspicion about the rise because strongly last week but the sud- it seems to have been triggered den wave of buying in response to recent weakness both in bonds and equities seemed to take over

the mood and the bond market did not appear to react.

Last week, equities and bond

week is May's producer prices growth.

Equity traders said the weak-ness in the bond market put downward pressure on stock prices. There is also nervousness after last week's rise of nearly 115 points in the Dow Jones tion. By midsession, the CRB Industrial Average, which took index had soared more than four the index to within 40 points of points from Friday's close. its post-crash high. That was on Some of the strength in the April 12 when the Dow reached CRB index recently has related to 2,110.08.

The swiftness and suddenness merely by a change in perception rather than any fundamentally different news on the economy.

Although this week sees few leading economic indicators, both bond and equity markets are traders seemed to leave aside likely to be nervous about a run their fears about higher potential of key figures next week, inclodinflation but yesterday's perfor-ing April's trade figures and May mance suggests inflation has data for retail sales, industrial

#### Macmillan said it would consider the offer this week. American Carriers added \$% to By Andriana Jerodiaconou

86%. Baytree Investors, which is involved in legal proceedings with the company about a take-over offer it made and withdrew THE 1987 boom on the small in February, said it would make

an announcement this week Avon Products dropped \$1/4 to \$23% after the company announced it was selling its Fosdays, is long gone. ter Home Healthcare subsidiary for \$225m and redoce its annual dividend to \$1 a share from \$2.

The sale will result in an addi-tional post-tax loss of \$95m. Texaco added \$% to \$50%. As foreshadowed in a US press report, the company announced it had agreed to sell its West Ger-man subsidiary for \$1.225hn to

RWE of West Germany.

SHARES recovered from ear-

index on Friday, which is expected to show a 0.4 per cent gain, terday was Macmillan, which the same as the increase in April. Jumped \$3% to \$74% after news A large component of May's price that Robert M Bass Group had gain is due to a 3.1 per cent rise sweetened its offer for the comin agricultural prices last month. The pany to \$73 a share from \$64.

#### Canada

returned as an issue this week.

The only important economic tion, which should give a clearer indicator due to be released this idea of second-quarter economic resource issues pulled the market

# Nikkei rises briefly above 28,000

#### Tokyo

WANING fears of inflation in the US helped the Nikkei average rise past 28,000 at one stage for the first time in Tokyo yesterday, with buying focused on large-cap-ital and high-technology stocks, writes Shigeo Nishtwaki of Jiji

The upward trend slackened, however, on profit-taking in late trading and the Nikkel average closed 89.76 higher at 27,996.24 —
a record peak for the second session running — after moving
between a high for the day of
28,059.97 and a low of 27,912.94.
Volume weakened to 1.65n

shares, compared with last Friday's 2.2hn. Advances led declines by 477 to 419, with 157

The market opened sharply higher on huying by securities houses, individuals, corporations and some institutional investors, in the wake of the announcement on Friday that the US unemploy-ment rate had risen in April for the first time in 20 months. The news helped ease inflationary

Among notabla gainers were large-capital steels and shipbuilding stocks, hut concern later set

in over the speed of the rises, prompting profit-taking. Buying interest shifted to high-technology stocks, reflecting investors' appraisal of a halt in the yen's rise against the US dollar and the low price of such stocks compared with that of giant-capitals.

Large-capital issue Kawasaki Steel headed the active list with 161m shares traded and rose Y3 to Y518 after hitting Y525 at one

Stage.
Nippon Kokan, second busiest
Not Y4 to Y481 with 138m shares, lost Y4 to Y481 after briefly rising Y3. In sympathy, Nippon Steel weakened by Y5 to Y503 and Sumitomo Metal

Industries by Y5 to Y431.
Large-capital chemicals eased, with Sumitomo Chemical shedding Y20 to Y1,050 after tempo-

NATIONAL AND

Trading volumes in high-tech stocks were not heavy, however, leading leading securities compa-nies to believe that such stocks are unlikely to replace giant-capi-tals as market leaders in the immediate future. The dominant view among brokerages was that large-capitals will draw renewed

buying interest soon. Elsewbere, low- and middlepriced stocks with favourable facredevelopment projects, came under the spotlight. Keisei Electric Railway jumped Y110 to Y1210 on improved earnings by Tokyo Disneyland, in which it has a large stake.

Some recent gainers among issues with specific incentives closed lower, however. Nippon Yusen dropped Y12 to Y716 after advancing by Y9 on investor interest in the shipping company's launch of marine leisure

Cosmo Oil declined Y30 to Y895 after its sharp gains last week which followed rumours of plans for putting a subsidiary's real estate to effective use.

Bonds turned down, as dealers and investors became wary of last week's steep falls in yields. The yield on the 5.0 per cent government hond, maturing in ecember 1997, surged from last Saturday's 4.49 per cent to 4.52 per cent in block trading on the Tokyo Stock Exchange, hnt it later resisted rising further on

bnying at low prices in inter-dealer trading. Osaka Securities Exchange prices closed higher for the seventh session running, with the OSE stock average gaining 104.3 to a record 27,764.38. Volume decreased by 42m shares from

last Friday to 138m. Osaka Titanium soared Y130 to Y2,080 and Araya Industrial ral-lied strongly by Y100 to Y1,490. Matsumura-Gumi, in contrast, dropped Y44 to Y856.

#### **Australia**

rarily rising by Y20.

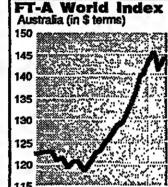
In the high-tech sector, STRONG metal prices and a fall Toshiba Corp, which saw 109m in the Australian dollar encour-

MONDAY JUNE 6 1988

shares change hands, rose Y16 to Y909 after gaining Y24 at one stage. Mitsubishi Electric moved up Y18 to Y769, while Sony Corp and Pioneer Electronic climbed Y110 each to Y5,250 and Y3,170 was heavy at 144m shares valued

Industrials were mixed, with interest focusing on Bell Group following Bond Corp's announce-ment of a full takeover hid for the company at A\$2.70 a share.

Bell Gronp rose 37 cents to A\$2.47 and Bond gained 2 cents



May 1988 June

Hill Proprietary, in which Bell slightly. Blue chip, quality, propResources holds 11 per cent, rose erty and retail stocks saw the

Westpac, trading ex rights and ex dividend, accounted for 15.2m shares worth A\$36.8m. The stock closed 18 cents down at A\$6.64. over 15m shares traded. The strong gains in Tokyo, and miner is the subject of a possible takeover hid, but yesterday's rise seemed to result from support by

#### Hong Kong

and foreign investors for prop NT\$13 to NT\$476 and Hua Nan erty issues helped push stocks Commercial added NT\$13 to higher amid reduced fears of NT\$470. interest rate rises, and the Hang Cathay Construction found Seng index added 22.04 to NT\$3 to NT\$113 and Pacific Con-2.590.39. Turnover was heavy at struction climbed NT\$2.5 to

Sun Hung Kai Properties and New World saw the largest gains, rising 40 cents and 30 cents to HK\$11.40 and HK\$11.70 respec-

Hutchison was the most active issue, on thrnover worth HK\$61m, finishing 15 cents nigher at HK\$8.80.

Tylfull was suspended after gaining 5 cents to 78 cents on volume worth HK\$37.3m amid talk that the company was about to change hands.

#### Singapore

TRADING volume and share prices reached their highest lev-els in Singapore since last Octo-ber's market crash. The Straits Times industrial index rose for the ninth consecutive session, adding 11.22 to 1,035.12, while volume reached 68m shares worth S\$122m, compared with S\$50m on

to A\$1.95 after dropping 6 cents Friday.

The rise was initiated by for-Bell Resources, in which Bell Group has a 43 per cent stake, fell 5 cents to A\$1.85 and Broken Hill Proprietary in which Bell and the afternation of the state of

26 cents to A\$8.66.

In resource stocks, trading focused on gold miners, with Emperor and Jason each rising 20 cents to A\$3.70 and A\$1.30 respectively.

#### **Taipei**

Taiwan share prices rose to their highest ever, with the weighted index closing above 4.800 for the offshore and local investors fol. first time, baving broken the lowing rises in the nickel and 4,900 barrier mid-morning.

The index climbed 100.35 to a

Chang Hwa Commercial Bank rose NT\$14, or 3 per cent, to DEMAND from both domestic NT\$487, First Commercial gained

DOLLAR INDEX

FRIDAY JUNE 3 1988

MIM rose 5 cents to A\$1.90 with INVESTORS took heart from the

Other miners to gain included CRA, up 10 cents at A\$8.90 and WMC up 30 cents at A\$6.40 on turnover of more than 5m shares.

The miner tailing it included record 4.876.34, beating the previous record of 4.785.03 on May 16.

Profit-taking pulled equities from the day's highs, but there were still good gains, especially for hanks and construction. for banks and construction

#### FT-ACTUARIES INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzle & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

|   |                       |                      |                            |                            |                        | 1                     |                            |                            |              |             |                         |
|---|-----------------------|----------------------|----------------------------|----------------------------|------------------------|-----------------------|----------------------------|----------------------------|--------------|-------------|-------------------------|
| Figures in parentheses<br>show number of stocks<br>per grouping | US<br>Dollar<br>Index | Day's<br>Change<br>% | Pound<br>Sterling<br>Index | Local<br>Currency<br>Index | Gross<br>Oiv.<br>Yield | U5<br>Dollar<br>Index | Pound<br>Sterling<br>Index | Local<br>Currency<br>Index | 1988<br>High | 1988<br>Low | Year<br>ago<br>(approx) |
| Australia (88)  | 142.87                | -0.9                 | 117.51                     | 119.80                     | 3.72                   | 144.10                | 119.02                     | 118.70                     | 145.74       | 91.16       | 133.79                  |
| Austria (16)  | 87.99                 | +0.1                 | 72.37                      | 78.53                      | 2.61                   | 87.88                 | 72.59                      | 78.70                      | 98.18        | 84.35       | 87.74                   |
| Belgium (63)  | 123.25                | +1.3                 | 101.37                     | 109.73                     | 4.59                   | 121.67                | 100.49                     | 108.77                     | 139.89       | 99.14       | 116.60                  |
| Canada (125)  | 122.03                | +0.4                 | 100.37                     | 108.91                     | 3.11                   | 121.56                | 100.40                     | 108.36                     | 125.49       | 107.06      | 126.61                  |
| Denmark (39)  | 128.57                | +0.2                 | 105.75                     | 114.45                     | 2.55                   | 128.28                | 105.96                     | 114.59                     | 129.52       | 111.42      | 118.54                  |
| Finland (25)  | 135.65                | +0.8                 | 111.58                     | 116.41                     | 1.80                   | 134.55                | 111.13                     | 115.92                     | 135.65       | 106.7a      | 114454                  |
| France (128)  | 96.59                 | +1.6                 | 79.44                      | 87.95                      | 3.68                   | 95.05                 | 78.51                      | 86.96                      | 96.59        | 72.77       | 109.41                  |
| West Germany (99)   | 77.78                 | +1.0                 | 63.97                      | 69.41                      | 2.67                   | 77.02                 | 63.61                      | 69.15                      | 80.79        | 67.78       | 91.21                   |
| Hong Kong (46)  | 103.86                | +1.2                 | 85.42                      | 104.24                     | 4.39                   | 102.60                | 84.74                      | 102.94                     | 105.83       | 84.90       | 121.21                  |
| Ireland (18)  | 133.39                | +0.4                 | 109.72                     | 120.68                     | 3.93                   | 132.88                | 109.75                     | 120.68                     | 135.14       | 104.60      | 127.62                  |
| taly (102)  | 70.68                 | +0.2                 | 58.13                      | 67.41                      | 2.97                   | 70.53                 | 58.25                      | 67.63                      | 81.74        |             | 100.21                  |
| Japan (456)   | 171.31                | +0.7                 | 140.90                     | 136.55                     | 0.52                   | 170.05                | 140.45                     | 135.33                     | 177.27       | 62.99       |                         |
| Malaysia (36)   |                       | +1.3                 | 116.99                     | 141.52                     | 2.57                   | 140.36                | 115.93                     | 139.66                     | 142.24       | 133.61      | 155.82<br>171.62        |
| Mexico (14)   | 162.59                | +1.1                 | 133.73                     | 404.41                     | 1.24                   | 160.74                |                            |                            |              | 107.83      |                         |
| Netherland (38)   | 105.73                | +0.5                 | 86.96                      | 93.02                      | 4.97                   | 105.16                | 132.76                     | 401.05                     | 176.90       | 90.07       | 209.34                  |
| New Zealand (21)  | 81.19                 | -1.0                 | 66.78                      | 62.17                      | 5.83                   | 82.00                 | 86.85                      | 93.04                      | 110.66       | 95.23       | 116.38                  |
| Norway (25)   | 125.17                | +2.5                 | 102.96                     | 106.57                     | 2.83                   | 122.14                | 67.72                      | 62.17                      | 82.00        | 64.42       | 95.54                   |
| Singapore (26)  | 119.09                | +1.7                 | 97.95                      | 110.94                     |                        |                       | 100.88                     | 104.49                     | 132.23       | 98.55       | 140.01                  |
| South Africa (60)   | 137.46                |                      |                            | 88.70                      | 2.26                   | 117.15                | 96.76                      | 109.10                     | 119.09       | 97.99       | 144.47                  |
| Spain (42)  | 162.10                | +2.0                 | 113.06                     |                            | 4.83                   | 134.76                | 111.31                     | 86.92                      | 139.07       | 118.16      | 158.92                  |
| Sweden (36)   | 124.10                | +1.6                 | 133.33                     | 139.32                     | 3.10                   | 159.58                | 131.80                     | 137.70                     | 162.10       | 130.73      | 112.72                  |
| Switzerland (55)  | 80.94                 | +0.4                 | 102.08                     | 110.37<br>71.86            | 2.57                   | 123.63                | 102.12                     | 110.27                     | 125.50       | 96.92       | 113.13                  |
| United Kingdom (327)  | 136.99                | +1.6<br>+1.1         | 66.57                      | 112.68                     | 2.37                   | 79.63                 | 65.77                      | 71.01                      | 86.75        | 75.60       | 93.58                   |
| USA (579)   | 108.77                | +0.2                 | 112.68                     | 108.77                     | 4.30                   | 135.53                | 111.94                     | 111.94                     | 141.18       | 123.09      | 147.13                  |
| u34 (5/7)   | 100.77                | +0.4                 | 89.46                      | 100.77                     | 3.59                   | 108.52                | 89.63                      | 108.52                     | 110.51       | 99.19       | 121.53                  |
| Europe (1013)   | 109.05                | +1.1                 | 89.69                      | 94.10                      | 3.77                   | 107.90                | 89.12                      | 93.54                      | 110.71       | 97.01       | 119.25                  |
| Pacific Basin (673)   | 167.54                | +0.7                 | 137.80                     | 134.49                     | 0.71                   | 166.38                | 137.42                     | 133.28                     | 172.26       | 130.81      | 153.63                  |
| Euro-Pacific (1686)   | 144.16                | +0.A                 | 118.57                     | 118.42                     | 1.65                   | 143.00                | 115.11                     | 117.46                     | 147.53       | 120.36      | 139.91                  |
| North America (704)   | 109.47                | +0.2                 | 90.04                      | 108.79                     | 3.56                   | 109.21                | 90.20                      | 108.53                     | 111.28       | 99.78       | 121.80                  |
| Europe Ex. UK (686)   | 91.70                 | +1.1                 | 75.42                      | 82.48                      | 3.28                   | 90.74                 | 74.95                      | 82.03                      | 92.81        | 80.27       | 101.94                  |
| Pacific Ex. Japan (217)   | 122.14                | -0.1                 | 100.47                     | 108.69                     | 3.93                   | 122.24                | 100.97                     | 107.59                     | 122.24       | 87.51       | 127.00                  |
| World Ex. US (1885)   | 143.34                | +0.8                 | 117.90                     | 117.94                     | 1.72                   | 142.19                | 117,44                     | 116.98                     | 146.49       | 120.26      | 139.69                  |
| World Ex. UK (2137)   | 129.31                | +0.6                 | 106.36                     | 114.97                     | 2.11                   | 128.57                | 106.19                     | 114.26                     | 130.28       | 111.77      | 131.17                  |
| World Ex. So. Af. (2404)  | 129.93                | +0.6                 | 106.86                     | 114.92                     | 2.30                   | 129.13                | 106.66                     | 114.21                     | 130.96       | 113.26      | 132.41                  |
| World Ex. Japan (2008)  | 110.15                | +0.5                 | 90.60                      | 103.61                     | 3.66                   | 109.56                | 90.49                      | 103.17                     | 110.99       | 100.00      | 121.55                  |
| The World Index (2464)  | 129.98                | +0.6                 | 106.91                     | 114.75                     | 2.32                   | 129.17                | 106.69                     | 114.03                     | 130.92       | 113.37      | 132,58                  |

Base values: Dec 31, 1986 - 100; Finland: Dec 31, 1987 - 115.037 (US 5 Index), 90.791 (Pound Sterling) and 94.94 (Local). Copyright, The Financial Times, Goldman, Sects & Co., Wood Mackenzie & Co. Ltd.1967
Amendments to Indices for June 3 applied to the following-Spain, the Regional Indices and The World Index.
Markets closes June 6: Ireland and New Zealand.

#### **Investors** steer clear of Greece

Athens stock exchange, in which share prices more than trehied and the volume of daily transactions shot np from a meagre Drim to over Drlhn on certain memorahie

Daily volume has stabilised at about Dr180m (\$1.3m), while the composite stock exchange share index, which opened on January 4 at 275.35, has climbed only slightly, reaching an undramatic 287.33 yester-

Equities continue to drift in weak volumes, unaffected by gains on other world markets, as foreign and domestic equity investors steer clear of Greece. Even takeover speculation, which has cropped np in recent weeks, has failed to add sufficient fizz to the

market. Chocolate and coffee producer Pavlides rose by 12.5 per cent, from Dr3,200 to Dr3,600. over a couple of days in mid-May amid rumours, confirmed yesterday, that Swiss confectioner Jacobs Snchard was seeking a controlling stake. The takeover talk failed to take the market much higher. however, and Pavildes now sits at Dr2,975.

Analysts had predicted at the time of the bourse's boom that the intense overheating of the small, illiquid Athens market - with a capitalisation of just Dr571bn - would be fol-lowed by a downward stabilisation, reflecting more the weaknesses in the workings of the exchange than any real

mic slump. In the event, the market was also influenced by the October global markets crash, as well as by the termination of the socialist Government's economic stahilisation programme, which bad significantly increased company profits, at the end of 1987.

Analysts agree that the future of the Athens exchange will depend greatly on planned reforms in its operations, included in a hill currently moving through the parliamentary pipeline.

Among other changes, the bill will introduce brokerage firms to the Greek market and lead to an electronic accounting, settlement and statistical

#### EUROPE

# Elections boost Paris as bourses make broad gains

GAINS in Tokyo and in the dollar hoosted share prices around Europe yesterday, except in Milan where profit-taking took equities lower, writes Our Mar-

PARIS was huoyed by the result of the French legislative elections, as well as by gains on other leading bourses, and fin-ished higher in moderate trading. The CAC General index gained 3.1 to 338.3 and the Indicateur de Tendance rose 2.2 to 125.7 on news of stronger-than-expected support for right wing parties in the first round of the elections. "A narrow majority for the socialists is probably the best tonic for the market," said one

Continued speculative huying pushed Perrier to a high for the year of FFr858, a gain of FFr89. Luxury goods group LVMH saw further demand, adding FFr98 to FFr2,498 with 75,000 shares traded amid signs of Japanese huying. It was also helped by reports that it plans to list on the Tokyo stock exchange and hy recent good figures, said ana-

Construction group Bouygues climbed 2.4 per cent, from FF7857 to FF7980, amid continued rumours of a management buy-

FRANKFURT closed higher for the sixth consecutive session in spite of profit-taking at midsession, with the FAZ index adding 1.45 to 464.06, its highest since

Prices were huoyed in after-noon trading by demand from domestic and overseas institutions, which was not reflected in the FAZ, calculated at midday. The dollar's rise above DM1.72 helped sentiment as did gains in Tokyo and, last Friday, in New

Construction stock Hochtlef fell DM30, or 6.7 per cent, to DM415 after analysts revised the group's earnings per share fore-

cast sharply downward.

Bonds rose in moderate trading, with the federal 6% per cent 1998 unit yielding 6.51 per cent against 6.61 per cent on Friday.

ZURICH responded to the teady dollar and the record high in Tokyo with rises across the board in active trade. The Credit Suisse index rose 3.1 to 455.6. Interest focused on internationals such as food stock Nestlé, which saw its bearers rise SFr200

#### London

INTERNATIONAL blne chips ICI, Giaxo, BAT and Shell again took the market higher, as investors considered the weaker pound to be good news

Rowntree edged np amid rumonrs that Swiss confec-tioner Nestle would soon increase its hid. The FT-SE 100 index added 13.5 to 1,832.7.

Nestlé's rival in the battle for Rowntree of the UK, confectioner Suchard, saw its bearers gain SFr150 to SFr7,575. News of

STOCKHOLM recovered from a nervous opening to close higher ping 3 after a moderately active day.

Early caution followed its gains. Early caution followed its strong recent gains, with investors worried that the upward trend could not be maintained for much longer. However, Wall Street's rise on Friday helped boost sentiment.

Early caution followed its grains.

Issues within the De Benedering roup mostly lost ground and were sold off in after-hours trading. Holding Cofide lost L38 to 15,201, and Cir. which closed up 190 at 15,320, fell to 15,200 after house Olivetti, of which Mr

hands, up from

#### SOUTH AFRICA

TRADING was subdued in Johannesburg as thousands of black workers started a threeday strike protesting against legislation curbing trade union

Industrials closed narrowly mixed and the Industrial index made a modest eight-point gain to 1,596.

Mining stocks firmed across the board with buying by both local institutions and foreign-ers. The Gold index gained 43 points to 1,360. The rise was led by Vasi Reefs, up R8 to R282, and Randfontein, up R5 to R264. SKF, the focus of a rumour that Nobel Industrier might bid for the company, saw its 8 free shares gain SKri3 to SKr278, taking its advance since Thursday to SK122. Skanska, with a 25 per cent stake in Nobel, added SK12

cent stake in Nobel, added SKr2 to SKr342.
Industrial stock Trellaborg slipped SKr2 to SKr247. It announced that its subsidiary Trellex had acquired Morse Rubber Products of the US.

BRUSSELS closed higher in active trading encouraged by a recent spate of optimistic company statements and profit forecasts. The rise was led by

casts. The rise was led by hlue-chip industrial sbares Suchard, saw its bearers gain SFr150 to SFr7,575. News of Suchard's plans to take a majority stake in Greek confectioner Pavlides came after the close. Brown Boveri rose SFr25 to SFr2,400. The engineering company it formed with Asea of Sweden, Asea Brown Boveri, said on Friday it had signed a co-operation agreement with Rolls-Royce of the UK.

In chemicals Ciba-Geigy bearers rose SFr60 to SFr3,250 and Hoffmann-La Roche "baby" certificates added SFr350 to SFr11,400.

MILAN saw lacklustre trading again with the MIB index slip-ping 3 to 991 in thin trading after

profit-taking wiped out early

The Affärsvärlden general hours. Olivetti, of which Mr index moved up 3 to 862.3, as Cario De Benedetti is chairman, SKr380m worth of shares fell L29 to L9,601.

Standa added L300 to L17,080 after parent Ferruzzi confirmed over tha weekand that several acquisition offers had been made

acquisition offers had been made for the supermarket chain.

AMSTERDAM finished higher, shrugging off Wall Street's lower opening, as the dollar firmed to F1 1.931 after opening at F1 1.9283. The all share index added 0.6 to 87. Airline KLM, up 60 cents at F1

57. Airline Klim, up 50 cents at re 35.40, denied reports that it was in merge with Sabena of Belgium and Swissair, saying it was negotiating with several airlines.

MADRID reached its fourth consecutive record high in spite of early profit taking, with the general index gaining 3.59 to 394.53

Tabacalera lost 20 percentage points to 1,125 per cent of par, and later reported pre-tax profits up 48 per cent at Pta 8.6bn.

Contracts & Tenders

Announcement From ·

EREGLI IRON AND STEEL WORKS CO.

(ERDEMIR)/TURKEY

Approximately 595,000 metric tons of slabs to be imported

for our works January 1989-December 1989 period

#### **Company Notices**

to SFr8,650.



RAND MINES GROUP

(All Companies Incorporated in the Republic of South Africa)

DIVIDEND DECLARATION SLYVOORUTZICHT GOLD MINING COMPANY, LIMITED (Company Registration No. 05/09743/06) NOTICE IS HEREBY Offer that dividend No. 55 of 75 cents per share has been declared in South African currency, as a shall dividend in respect of the year ending 30 June, 1989, payable to members registered at the close of business on 24 June, 1989. The register of members will be closed from 25 June to 3 July, 1988 inclusive. Dividend warrants will be posted on or about 29 July, 1988.

The rate of exchange at which the dividend will be converted into United Kingdom currency for payment by the United Kingdom registrars, trensfer and paying agents will be the telegraphic transfer rate of exchange between Johannesburg and London ruling on the first business day after 25 June, 1990, on which foreign currency dealings are transacted.

DURBAN ROODEPOORT DEEP, LIMITED (COMPANY Registration No. 01/00225/06 EAST RAND PROPRIETARY MINES, LIMITED ) (COMPANY Registration No. 01/00773/06

By order of the Boards, RAND MINES (MINING & SERVICES) LIMITED. DOL A WINDLE

returies in the United Kingdom Charter Consolidated Services Limited 40 Holborn Vieduci London ECIP 1AJ

S June, 1986

Landon SW1P 1PL dembers of the

**Art Galleries** 

Eve

has outlived the others because a policy on fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamor-

01-734 0557

Clubs

LEGER, 13 Old Bond Street, 01-629 3538. GAINS-BOROLIGH, Two musical masternlanes. "About

189, Regent St., WI

Registered Office 15th Floor, The Corner House 63 Fox Street

JOHANNESSIEG 2001

#### SOCIETE GENERALE U.S. 500 000 000 **Undated Subordinated Floating Rate Notes** For the six months, May 27, 1988 to November 27, 1988, the

rate of interest has been fixed at 7,8875% P.A. The interest due on November 28, 1988 against coupon nr 4 will be \$US 405,33 per \$US 10,000 nominal

amount of notes and \$4,053,30 per \$US 100,000 nominal

amount of notes and has been computed on the actual

number of days elapsed (185) divided by 360.

The Principal Paying Agent, SOCIETE GENERALE ALSACIENNE DE BANQUE 15, avenue Emile Reuter LUXEMBOURG

#### Legal Notices

E & A WELDING COMPANY LIMITED

nivers 25 May rame of person appr

JOHN FREDERICK POWELL and IAN NAPIE CARPUTHERS Joint Administrative Receivers (Office holder nos 249 and 814)

Cork Gully 43 Temply Flow

#### Tender documents for this inquiry may be obtained as of 6 June 1988 from our following offices;

 a) Eregli Damir ve Çelik Fabrikalsri T.A.Ş.
 Satinalma Genel Müdür Yardimeilgi
 Diş Alimlar Müdürlüğü (Foreign Purchases) Uzunkum Cad. Kdz. Eregii/TURKEY

h) Ereğli Demir ve Çelik Fabrikaları T.A.Ş. Satınalma Genel Müdür Yardimciliği Satinslma Müdürlügü Gümüssuyu Cad. Deran Han Kat.4 Istanhul/TURKEY c) Ereğli Demir ve Çelik Fabrîkalari T.A.Ş. Satinalma Genel Müdür Yardimciliği

Dis Atimler Müdürlüğü Diş Alim Sipariş Takip Şefliği Atatürk Bulvari, Sekan Han No. 127 Kat.S Ankara/TURKEY

-The offers in sealed envelope should be submitted to Ereğli Demir ve Çelik Fabrikaları T.A.Ş. Sannalma Genel Müdür Yardımciliği, Uzunkum Cad.Kdz.Ereğli/TURKEY at the latest by 17:00 hours Turkish local time on 18 July 1988. -Our company reserves the right to place the order either partially or completely with any bidder, to cancel the tender completely. The receipt of quotations shall in no way be

#### **Legal Notices**

No 002757 of 198 IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

IN THE MATTER of PEARSON plo IN THE MATTER OF THE

**COMPANIES ACT 1985** 

NOTICE IS HERREY GIVEN that a Petition was on the 10m day of May 1986 presented to Her Majasty's High Gourt of Justice for the confirma-tion of the carcellation of the Share Premium Account of the said Company.

AND NOTICE IS FURTHER GIVEN that the eald Polition is directed to be heard before the Hon-outable Mr Justice Warner at the Royal Course of Justice, Strand, Lond WC2A 2LL on Mon-day 13th day of June 1988. Any Creditor or Shareholder of the said Com-pany desiring to oppose the making of an Order for the confirmation of the cancellation of Share Premium Account should appear to the time of hearing in person, or by Counsel for that pur-

any person requiring the same by the unconentioned Solicions on payment of the related charge for the sense

Dated this 4th day of June 1988 FRESHPIELDS (17/GPC2/25385L) Walden House 17-24 Cathedral Place London EC4M TJA

# NORTHAMPTONSHIRE

in the

The Financial Times proposes to publish this survey on:

For a full editorial synopsis and advertisement details, please contact:

21st June 1988

Authony G Hayes on 021-454-0922

or write to him at:

Financial Times George House George Road Edgbaston Birmingham BI5 IPG